THE FINANCIAL POST
OF CANADA
The Canadian Newspaper for Investors

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SHIPBUILDING PLANT IS GOING TO NEWCASTLE

Yards Being Laid Out by Eminent Naval Architect.

CONTRACTS FOR 30 SHIPS

Company Being Financed by Powerful Syndicate Backed by Foreign Government—Great Export Business for Canada

The plans of the International Shipbuilding Corporation, which was recently incorporated with a capital of $2,000,000 have been advanced to the point where THE FINANCIAL POST is in a position to throw some light upon the intentions of the promoters. It looks as though this corporation which is interlocked with a great international trading syndicate, would be the first of the new shipbuilding enterprises to get under way. The plant will be located at Newcastle, N.B., where a splendid site has already been secured. The company has also acquired a saw mill and planing mill, which are already equipped and ready for operation, and will take over an iron foundry. The site selected was used for shipbuilding in the palmy days of wooden ships, and has a water frontage of sixteen hundred feet. Ten thousand-ton ships can dock there.

Several hundred men will be employed at the start of operations, which number will be increased from time to time.

The plant will be laid out by B. B. Crowinshield, of Boston, one of the most eminent naval architects in the world, who was expected to be in Newcastle this week to look over the ground. The consulting engineer of the company will be a cousin of Premier Lloyd-George, who was formerly connected with the Bethlehem Steel Corporation. The shipbuilding superintendent has also been engaged. He is the man who built the Ophir, which brought the Governor-General to Canada, and is a man of great ability and experience in his line.

Men Interested.

Among the Maritime Province men who are interested in the proposition are E. A. McCurdy and L. H. McNaught, both of Newcastle. The latter is managing director of the Maritime Foundry and Machine Works, which is to be taken over by the International Shipbuilding Corporation. The company already has contracts for thirty ships, and expects to be able to start operations within a very short time.

A St. John newspaper published the rumor that Lord Beaverbrook was connected with the enterprise, but J. F. D'Arcy, of Montreal, who has been actively identified with its organization, says that this is not correct, although he admitted to THE FINANCIAL POST that a number of Lord Beaverbrook's friends in the Old

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NEWS OF SECURITIES.

THE FINANCIAL POST'S review of the Canadian Security Markets will be found on pages 2, 3, 4 and 5, under the following heads: STEEL STOCKS, PULP AND PAPER, TEXTILES, MILLING, MINING, TRANSPORTATION, ELECTRIC RAILWAYS, LIGHT AND POWER. Other Stocks, including general industrial and other securities not embraced in the foregoing groups are arranged in alphabetical order.

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High.	Low.
Steel of Can., com.	.66¾	.65¾
do., pref.	.95	.95
Steamships, pref.	.84½	.84
Russell, com.	.90	.89
do., pref.	1.20	1.20
Rogers, pref.	.90½	.90½
Maple Leaf	1.11¾	1.11¾
Brazilian	.42¼	.41¾
Span. River	.17¾	.17¾
Dom. Steel	.64½	.64½
Mackay	.87	.87
Smelters	.31	.31
Petroleum	15.15	15.15
Porto Rico	.38½	.38½
Barcelona	.12	.12
Quebec L. & Pr.	.26	.26
War Loan (1925)	.97¾	.97

BIG INCREASE IN EARNINGS OF BANK OF B.N.A.

Net Profits for the Year Were Larger by Nearly 40 Per Cent.

UNCERTAINTY AS TO FUTURE

Chairman States That Good Showing is Being Made for Current Year But No Assurance as to Post-War Conditions.

While displaying that convervatism and reluctance to forecast future conditions which is characteristic of the attitude of leading financiers in the present crisis, E. A. Hoare, presiding over the 81st annual meeting of the Bank of British North America at London recently, expressed some views regarding Canada's position and prospects which are of interest as indicating the outlook of Canadian banking from the British standpoint. Mr. Hoare stated candidly that there was no precedent or experience to guide the directors towards a correct solution of the many problems which awaited the country in commerce and finance at the conclusion of the war. Significantly he added that the proprietors should remember that a large part of the profits of the year ended November 30th last, were earned by means of extraordinary war credit. However, whilst refraining from making any forecast, he mentioned an accomplished fact, namely, that the profits of the three months ending February 28th last, the first quarter of the year, showed a considerable improvement over the figures for the corresponding period of 1916; so far this was distinctly encouraging.

Referring to conditions of last year, Mr. Hoare stated that in central Canada the harvest was disappointing but the farmer found compensation in the rise in prices, the result being that he was in a better financial position than he had ever been before, notwithstanding the scarcity and costliness of labor. One of the best signs of the times had been the improved demand for agricultural land. On the Pacific Coast conditions had been less cheerful. The depression which followed upon the speculation in real estate had not lifted and under the moratorium this could hardly be expected. There was some real encouragement to be found in the better demand for lumber and in an increased output of minerals in British Columbia.

Canada's Part in the War.

Referring to Canada's financial part in the war Mr. Hoare said that when history was written it would contain nothing more astonishing than the story of Canada's participation. If anyone had foretold in the autumn of 1914 that the Canadian banks would lend to the Imperial Munitions Board $150,000,000 he would have been regarded as an imbecile, and yet this was an accomplished fact. The Canadian loans had been over-subscribed with enthusiasm on each occasion and the Finance Minister had avoided short term issues in which he had shown his sagacity.

Increased Problems.

The financial statement showed net profits for the year of £112,262, a remarkable increase of £44,743. In addition to various appropriations including war tax, patriotic fund, etc., the directors proposed a dividend of 40s. per share payable less income tax. This absorbs £40,000 while a bonus to the staff of 5 per cent. was estimated at £7,000 leaving £21,415 to be carried forward.

In the assets Dominion and Provincial Government securities showed an increase of £173,000 represented by an investment in Dominion war loan and treasury bills. Canadian municipal securities, British, foreign and colonial public securities other than Canadian showed the unusually large increase of £1,406,000. Details were given of the exchequer bonds, the war loans and the British treasury bills amounting to £1,525,000. The balance consisted of loans made to the Imperial Munitions Board amounting to $4,000,000. Reference was made to the fact that since the end of the bank's year a third loan had been made by the Canadian bank to the Imperial Munitions Board of which the institution's share was $2,120,000. Reference was also made to the loan to the Grand Commission for the purchase of wheat and foodstuffs in Western Canada to which the bank had offered to subscribe $1,000,000 but which subscription was received after the list was closed. Another loan which the bank has made in the current year was $500,000 placed in the French industrial credit in New York.

DOMINION TRUST BOARD DISCHARGES LIABILITIES

Creditors at Adjourned Meeting Reversed Decision and Accepted Offer Made.

Following up the meeting of the creditors of the Dominion Trust Company when those present refused to accept the offer of $19,000 made by the directors, this decision was practically reversed at an adjourned meeting. As a result, the liquidator will now recommend, with the approval of the court, that the offer of $30,000 as made by seven of the directors, be accepted in lieu of misfeasance claims of over $2,000,000. The directors also agree to pay $24,000, law costs of the misfeasance proceedings, which were started by Liquidator Stewart. As a result of a motion brought before the meeting the liquidator promised to pay the preferred salary claims amounting to $12,000 as soon as the insurance policy of $75,000 in favor of Mrs. Arnold is settled by the court. This latter is in process of litigation. At the meeting it was officially stated that the Dominion Trust owned 97½ per cent of the B.C. Securities debt. The Saskatchewan creditors who were represented at the meeting voted in favor of accepting the offer of the directors who are now relieved from further liability. The mortgage on the Dominion Trust Building is $270,000 while the value of the building is given as $300,000 with no offers.

STEEL AND RADIATION.

The annual statement of Steel and Radiation which will be mailed to shareholders shortly will show a generally satisfactory year when conditions are considered. The gross earnings for the year were about $370,000 and the net slightly over $300,000. Allowances for depreciation on old and new plant were $100,000 for each item, a total of $200,000, leaving a balance of nearly $200,000. Payment of deferred dividends at the rate of 7 per cent. left a balance to be carried to profit and loss of $50,000.

BUSINESS SEEMS PREPARED FOR DEVELOPMENTS

All Reasonable Contingencies Are Being Discounted.

STOCKS BEING ADJUSTED

Indications That Wholesalers Are Providing Against Depreciation and Retailers Buying More Closely.

In view of the many developments which have recently occurred, any one of which would, under normal conditions, have been sufficient to cause something in the nature of a business panic, and the indications that other developments will arise which may involve great economic or political changes, the comparatively steady manner in which business regards the situation is an indication that after three years of war we have adjusted ourselves to a basis where anything short of an unforeseen upheaval can be met and overcome. When we consider the unsettled situation at our side door, in the United States, the restricted nature of export and import business owing to submarine activities and high tonnage rates, the high and rising cost of living, and the many other factors for uncertainty, in the face of which business is being successfully conducted, we can face the future with considerable confidence. Adjustments after the war must be expected, but the indications are that the longer the conflict continues the better we will be able to face the new conditions. The opinion has previously been expressed in this column that business and industry can adjust themselves to unforeseen events, and the present situation would seem to confirm this. In fact, recent developments would indicate that at present business is established on such a broad basis that provision is being made against all reasonable contingencies.

Commodity Prices.

On the part of wholesale and retail business there is evidence of a growing caution as regards stocks. Retailers are generally buying on a hand to mouth basis and wholesalers are preparing for that depreciation in values which may be expected in the process of readjustment. On the whole the upward movement of commodity prices continues and the rise is especially noticeable in steel and kindred products. However, the tendency is not so strong as it has been and in regard to certain lines of foodstuffs, especially those affected by seasonal changes, there is a measure of relief. Industrial activity continues on much the same scale as for some months, although in many lines the cost of materials and production are nearing the selling return to such an extent that the margin of profit is becoming much narrower. Building operations are on a small scale, but there are some indications of improvement.

The opening of navigation will be awaited with more than usual interest in relation to the transportation situation owing to the general congestion on the railroads which should be in a measure relieved. Reports indicate that there will be a heavy movement from the head of the lakes and this should result in bringing increased funds into the country. The threatened strike has passed, but with it there has been an increased burden placed on the railroads and American systems like those in Canada are asking for the right to make an increase in freight rates.

The great success of the war loan cannot but have a beneficial effect on business. The fact that the amount was so largely oversubscribed is an indication of the country's strong financial position and this is further indicated in the February bank statement showing that savings deposits alone have increased more in the year than the amount of the loan.

REIMBURSEMENT PLANNED FOR OFFICERS' GUARANTEE

Meeting of Monarch Knitting Co. Called to Consider Matter of Payment to President and Manager for Guarantee of Loans.

An inquiry has been addressed to the FINANCIAL POST by "Shareholder" of the Monarch Knitting Co. in regard to a notice that has been sent out for a special meeting of the shareholders to be held in Dunnville at the head office, on Saturday, April 7, at 4 p.m. The object of this meeting, following within a few weeks of the annual meeting is "for the purpose of considering, and if thought fit of confirming, a by-law of the directors passed on the 24th day of March, 1917, approving an agreement between the company and the President, F. R. Lalor, and the general manager, Mr. J. A. Burns, whereby the president and general manager agree to guarantee for a term of one year payment of advances to the company by any of its bankers, and whereby the company agree to pay the sum of ten thousand dollars to the president and a like sum to the general manager as consideration of their giving such guarantee."

Guaranteed for Several Years Past

FINANCIAL POST drew this to the attention of one of the directors, T. A. Russell, and received the following explanation:

"For several years past Mr. Lalor and Mr. Burns personally have guaranteed payment of advances to the Monarch Knitting Co. by its bankers, but up to the present no sum has been paid them in return for this guarantee. The directors decided this year that it was only fair to these men to give them remuneration to the extent of $10,000 each for this guarantee."

"Is there any special reason for this action this year?"

Loan Larger This Year.

"The loan from the bank this year will be far heavier than usual owing to the abnormal trade conditions. The raw material, for instance, costs more than double what it does in ordinary times. Then, the outlay in connection with the new hosiery mill will entail heavier temporary liabilities, so that we will require an increased line of credit. On the other hand we look to a far larger business even than last year."

"Do you expect any opposition on the part of the shareholders?"

A Common Proceeding.

"Not after the circumstances have been explained. The reason the question is coming up before the shareholders is that there is some doubt as to whether such an action would be legal on the part of the directors without subsequent authorization by the shareholders, though, I believe, it is a common thing among many other companies. We are doing it entirely above board by bringing it before the shareholders previous to making the arrangement.

GOVERNMENT HAS DECIDED TO ACT RE RAILWAYS?

It Is Rumored That Definite Action Will Be Taken At Session—Commission Report Is Not Yet Ready.

Ottawa, March 30 (Special).—It has been learned that definite legislation will be introduced at the next session of the House to permanently end the railway difficulty. Just what form the solution will take is still very largely a matter of conjecture, but one thing is regarded as absolutely assured. That is, that the government will not extend any further aid in any form to the railways. Sir Thomas White is said to have definitely stated this much.

Nothing will be done, of course, until after the report of the Railway Commission has been submitted. Sir Henry Drayton informed The FINANCIAL POST that the report is not yet completed. He admitted that, as a matter of fact there would likely be two reports. The rumor that the Commission report was actually in the hands of the Government he denied, also declaring that the figures published in a Toronto newspaper were purely guesswork.

It is clear that the members of the Commission are not agreed and that the views of each side will be advanced in the rival reports. Smith, it is said, will favor some form of corporate control, while Drayton and Acworth will stand behind the nationalization of the Canadian Northern Railway and the Grand Trunk System in some form. It is generally believed that Sir Thomas White favors some form of nationalization.

All manner of rumors are heard here, but the one outstanding feature of the situation is the practical certainty of Government action.

APRIL DIVIDENDS TO TOTAL SUM OF $16,000,000

Large Sum Being Paid to Canadian Shareholders Next Month.

PAYMENTS ARE INCREASING

General Improvement in Industrial and Business Conditions Throughout Country Reflected in Returns to Shareholders.

The industrial activity which has been general throughout the country, particularly in lines which have been affected by war demand, for the past year or so, and the general improvement in business conditions find reflection in the increasing dividend returns to the holders of Canadian securities. As estimated by THE FINANCIAL POST the April dividends on common and preferred stocks of the leading industrial, public utility, trust and loan, insurance and mining companies and banks for the first quarter of the year will amount to nearly $16,000,000. This amount being paid to the public represents an important factor in our buying power and reflects directly upon general business conditions. Were the payments on various bonds including government, provincial and municipal as well as those of the industrial, public utility and other groups also estimated the total would probably run several times that indicated.

Following is the list of April dividends:

Summary.

Industrials	$ 2,552,792
Utilities	11,196,694
Banks	606,122
Trust and Loan	867,258
Insurance	84,715
Mines	535,613
	$15,844,169

Industrials.

	%	
Brandram-Henderson, pfd.	1¾	$ 6,125
F. N. Burt, com.	1	7,500
F. N. Burt, pfd.	1¾	34,568
Canada Bread, pref.	1¾	21,875
Can. Car, pfd.	1¾	......
(Passed July, 1914)		
Can. Consol. Rub., pfd.	1¾	52,500
Can. Cottons, pfd.	1½	54,922
Can. Gen. Elec., com.	1¾	140,000
Can. Gen. Elec., pref.	3½s	70,000
Can. Locomotive, pref.	1¾	26,250
Can. Wm. A. Rogers, pref.	1¾	8,750
Canadian Salt	2	16,000
Can. Westinghouse	2½	112,336
Carriage Factories, pfd.	1¾	21,014
Carriage Factories, com.	...	......
(Passed April, 1915)		
Carter-Crume, Pfd.	1¾	......
(Passed July, 1914)		
City Dairy, com.	2	11,300
City Dairy, pref.	1¾	12,250
Dominion Canners, pref.	1¾	40,086
Dominion Canners, com.	...	......
(Passed July, 1914)		
Dominion Steel, com.	1	370,977
Dominion Textile, com.	1½	75,000
Dominion Textile, pref.	1¾	33,702
Goodwin's, pref.	...	......
(Passed in Oct., 1914)		
Goulds Manufac., com.	1½	11,213
Goulds Manufac., pref.	1¾	13,082
Laurentide Company	2½	240,000
Maple Leaf, pfd.	1¾	43,750
Maple Leaf, com.	2½	62,500
N. Scotia Clay, pref.	1¾	......
(Passed June, 1914)		
N.S. Steel, pref.	2	20,000
N.S. Steel, com.	...	......
(Passed Oct., 1914)		
Ogilvie Flour, com.	2	50,000
Pacific Burt, com.	1s	6,500
Pacific Burt, pref.	1¾	11,375
Provincial Paper, pref.	1¾	27,737
Rogers, Wm. A., com	1s	22,500
Rogers, Wm. A., pref.	1¾	15,750
Sherwin-Williams, pref.	1¾	52,500
Shredded Wheat, com.	1½	131,250
Shredded Wheat, pref.	1½	18,750
Smart-Woods, com.	...	......
(Passed July, 1914)		
Smart-Woods, pref.	1¾	27,063
Stanfield, com.	1	5,000
Stanfield, pref.	1¾	4,375
Toronto Paper	2s	......
(Passed June, 1914)		
Tuckett, pfd.	1¾	35,600
Toronto Struc. Steel, pfd.	1¾	5,250
St. Lawrence Flour, pfd.	4	21,000
Cockshutt Plow, pfd.	1¾	113,138
Dominion Glass, pref.	1¾	45,500
Dominion Park	1½	6,000
Hillcrest Collieries, pfd.	1¾	12,349
Hudson Bay	...	......
Brandram-Henderson, com.	¾	7,275
Can. Cement	1½	202,500
Steel of Canada	1+½	172,500
Amer. Salesbook, pfd.	1¾	58,782
(Passed Dec., 1914)		
		$ 2,552,792

Insurance.

	%	
Acadia Fire	1½	$ 6,000
Canada Life	2½	25,000
Dominion Life	3	12,000

Continued on page 7.

BANK OF MONTREAL
Established 100 years (1817-1917)

Capital Paid up, $16,000,000. Reserve Fund, $16,000,000.
Undivided Profits, $1,414,423.
Total Assets - - - $365,215,541.

BOARD OF DIRECTORS:
Sir Vincent Meredith, Bart., President
C. B. Gordon, Esq., Vice-President
R. B. Angus, Esq. E. B. Greenshields, Esq. Sir William Macdonald
Lord Shaughnessy, K.C.V.O. C. R. Hosmer, Esq. A. Baumgarten, Esq.
H. R. Drummond, Esq. D. Forbes Angus, Esq. Wm. McMaster, Esq.
Capt. Herbert Molson Harold Kennedy, Esq.

Head Office: MONTREAL
General Manager—Sir Frederick Williams-Taylor, LL.D.
Assistant General Manager—A. D. Braithwaite
Branches and Agencies { Throughout Canada and Newfoundland
Also at London, England
And New York, Chicago and Spokane in the United States

THE MERCHANTS BANK OF CANADA
Established 1864 Head Office, MONTREAL
President—Sir H. Montagu Allan, C.V.O. Vice-President—K. W. Blackwell.
Managing Director—E. F. Hebden. General Manager—D. C. Macarow.
Paid-up Capital - - - $7,000,000
Reserve Fund and Undivided Profits, 7,250,984
220 Branches and Agencies in Canada, extending from the Atlantic to the Pacific.
A General Banking Business Transacted
Special attention given to Collections. SAVINGS BANK DEPARTMENT AT ALL BRANCHES.
Commercial and Travellers' Letters of Credit issued, available and payable, respectively, in all parts of the world. Travellers' Cheques issued in convenient denominations, payable at par throughout the world.
TORONTO BRANCH, A. B. Patterson, Manager

THE BANK OF BRITISH NORTH AMERICA
Established in 1836 Incorporated by Royal Charter in 1840
Paid-up Capital - $4,866,666. Reserve Fund - $3,017,333.33
Head Office—5 GRACECHURCH STREET, LONDON
HEAD OFFICE IN CANADA—St. James Street, MONTREAL
H. B. MACKENZIE, General Manager
Advisory Committee in Montreal
SIR HERBERT B. AMES, M.P.
W. R. MILLER, Esq. W. R. MACINNES, Esq.
This Bank has Branches in all the principal Cities of Canada, including Dawson (Y.T.) and Agencies at New York and San Francisco in the United States. Agents and Correspondents in every part of the world.
Agents for the Colonial Bank, West Indies
Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued negotiable in all parts of the world.
Savings Department at All Branches

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IMPERIAL BANK
OF CANADA
CAPITAL PAID UP $7,000,000 RESERVE FUND $7,000,000
PELEG HOWLAND PRESIDENT E HAY GENERAL MANAGER
HEAD OFFICE, TORONTO
GOVERNMENT, MUNICIPAL and other
HIGH CLASS SECURITIES
BOUGHT and SOLD
Correspondence invited 62
ADDRESS
THE MANAGER, BOND DEPARTMENT, TORONTO

THE STANDARD BANK OF CANADA
QUARTERLY DIVIDEND NOTICE No. 106
NOTICE is hereby given that a dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending April 30th, 1917, and that the same will be payable at the Head Office in this City and its Branches, on and after TUESDAY, the 1st day of May, 1917, to Shareholders of record of the 21st of April, 1917.
By Order of the Board,
J. S. LOUDON,
Assistant General Manager.
Toronto, March 22nd, 1917.

5% AND ABSOLUTE SECURITY
Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.
THE EMPIRE LOAN COMPANY, Winnipeg, Man.

The Weyburn Security Bank
Chartered by Act of the Dominion Parliament.
HEAD OFFICE, - WEYBURN, SASK.
NINETEEN BRANCHES IN SASKATCHEWAN.
DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; Chas. A. Johnson, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted.

NEWS OF SECURITIES — Dullness is Continued

STEEL

The Dominion Dividend and Steel Co. Report Were Features of the Recent Trading.

By P. Bain, M.E., Editor Canadian Machinery.

There has been no marked change in the steel situation during the week and the market has not been particularly active. There appears to be a general tendency to await developments in the international situation especially in regard to what action the United States Government may take in defence of its rights. Preparations for active participation in the war are taking more definite shape, and this is being reflected by greater activity in steel stocks. An important event during the week was the resumption of dividends on Dominion Steel common. Steel of Canada has been the most active of the steel group, no doubt by reason of its large earnings, and very satisfactory financial condition. All steel securities will doubtless be more active with a continuance of prevailing conditions, and a probability of an increased demand for the manufactured product.

The anticipated increase in war demand for steel in the United States is affecting the situation in Canada. This has already been evidenced by the recent sharp advance in prices, and the end of the upward movement is not in sight. The large increase in tonnage that will be required will make the congestion at the mills more acute and force prices up. War demand will take precedence over all other business and further increase the already heavy tonnage that has been side-tracked pending a return of more normal conditions and prices. Thus, what might be called reserve or latent tonnage will be an important factor in the steel trade when the time for readjustment comes after the war. It will tend to steady the market when the more urgent war demand falls off. This feature is an important one and should not be ignored, for it will have a direct bearing on stocks and tend to steady their market during the time peace negotiations are in progress and also after the conclusion of hostilities.

Operating conditions at the mills have improved considerably due to more favorable weather and increase in supply of raw materials, production consequently will show a material improvement this month over the proceeding two months. As a result, earnings will show a corresponding increase and improve the steel outlook generally. The demand for steel has already been stimulated by the prospect of increased consumption and further advances in steel products are certain. This week, tubes, black and galvanized sheets, have advanced while higher prices on plates, rivets and wrought pipe are looked for in the near future. The advance in tubes includes both seamless and lapweld and is equivalent to about 10 to 15 per cent. Very few makers of iron or steel tubes are quoting for delivery this year.

The enormous demand for ship plates and shapes continues to be the chief feature in the market. It is understood that the Imperial Munitions Board contemplates an expenditure of approximately $25,000,000 on steel ships, the construction of which will be put in hand as rapidly as possible under the circumstances. The rapidity of construction will depend upon the supply of steel obtainable, and available capacity of the ship-building plants to undertake the work. The U.S. Steel Corporation has recently accepted an order for 5,000 tons of ship plates, and 2,000 tons of angles for quick delivery to a Canadian ship yard.

CANADIAN CAR & FOUNDRY CO.

It is reported that the Canadian Car & Foundry Co. is gradually adjusting all affairs connected with the Russian shell contracts, and will shortly be in a position to announce the results, which, it is understood, will show a profit. The company has recently closed a contract through the British Government for 2,000 Russian cars. There has been a better demand for Canadian Car stocks, a movement in the preferred attracting a following for the common, and resulting in a gain for both stocks. The revival of interest in these securities is no doubt due to the new orders for cars, and to the belief that the financial condition of the company is improving. It is reported that some payment may be made on the preferred stock this summer, dividends on same having been withheld since June 30, 1914.

DOMINION STEEL.

At the annual meeting of the Dominion Steel Corporation held at Montreal on March 23rd, the directors decided to resume payments on the common stock which had been in abeyance since 1913. A dividend at the rate of 4 per cent. per annum was declared on the common stock, payable April 16, to shareholders of record March 31. The regular quarterly dividend on the preferred stock, due May 1, was declared payable on that date to shareholders of record April 15. The news regarding the dividend caused some disappointment, as a larger disbursement was not unexpected. The announcement was succeeded by a fairly heavy liquidation running over 2,000 shares in the subsequent afternoon session. As compared with 66½ at the end of the forenoon on the Montreal Exchange, the price eased off a point to 65½ near the close, one block of 700 shares being taken at that price. Near the close another fractional decline took place to 65⅜, but it rallied to 65¾. It is understood that the majority of the directors were in favor of a 5 per cent. distribution, but the lower rate was in the end decided upon as being of greater benefit ultimately to the shareholders. Estimates of the surplus available for the common stock at the end of the year place the amount around $10,000,000, equal to over $30 a share, compared with estimates of $20 to $25 made at the beginning of the year. Under these circumstances there is little doubt of the company's ability to pay a higher dividend than that declared recently, and this may come in the near future. The present outlook is entirely favorable, and the statement for the year ending this month will show the corporation to be in a decidedly favorable financial position.

STEEL CO. OF CANADA.

The annual statement covering the operations of the Steel Company of Canada for the fiscal year ending Dec. 31, reveals an unusually interesting state of affairs. The profits for the year after deducting charges for repairs, maintenance and providing for the war tax of 1915 and 1916, totalled $5,021,391, compared with $3,230,452 for 1915, an increase of $1,790,939, or over 55 per cent. The increase is even greater when it is considered that while in 1915 no war tax was deducted, the amount for the two years was carried against the past year. Other features of the report are reviewed in another column.

The annual meeting of shareholders has been called for Thursday, April 19, at 2.30 p.m., at the Royal Connaught Hotel, Hamilton. Altogether the company has had a remarkably successful year, so much so as to place it on a sound financial basis and this should make it more popular with the investing public.

CANADA FOUNDRIES & FORGINGS.

Fifty shares of Canada Foundry and Forgings stock sold at 150 on the Montreal Exchange on Wednesday of this week, as compared with the last previous sale at 170, a sheer drop of 20 points. Forgings sold at 243 in the boom days of the war babies last year. Now no speculator does it reverence in spite of the tremendous earnings of the company. The public is fickle and the war stocks have lost their appeal.

TEXTILES

Not Much Activity But Strength of Securities Was Well Maintained.

By H. H. Black, Editor Dry Goods Review.

While transactions were not heavy during the week in the textile securities there was evidence, particularly in the case of the cotton textiles, that the strength manifested in the past couple of weeks had been maintained, and in one case a new high record for 1917 was established.

It is gratifying to learn that efforts are under way in several directions to develop basic elements for Canada's textile industries, that must help them in their struggle to hold the present field and appropriate new ground in connection with domestic needs. Last week FINANCIAL POST referred to a new factory at Peterboro' for the production of French spun yarn that would lessen our dependence on imported materials. Another movement that promises well, is the joint operation of the Federal Agricultural Department, with those of Saskatchewan and Alberta in an effort to establish a closer relationship between the producer of wool in Canada and the manufacturers of woolen products. The head of the sheep department at Ottawa states, that the sheep industry is progressing rapidly in British Columbia as well, and that large areas of grazing land will be opened up to the sheep growers in Western Canada. A proposal has been made to establish central depots at various points, East and West, where the wool would be graded properly and the sale and distribution be under the control of experts.

While the Canadian woolen mills, both weaving and knitting are working to capacity, there is an interesting contest being waged for control of Canada's import business in woolens with which the local mills are more and more concerned. Before the war there was practically nothing in the line of woolens imported from the United States, except what are known as "novelty" lines where price was no consideration. English mills could turn out and lay down their output in Canada at a figure that the U.S. mills could not touch. Nor, in a great majority of cases, was the U.S. product equal to that of the English mills.

One of these speaking to THE FINANCIAL POST on Thursday, stated that they had worked up a very large business with Canadian manufacturers and jobbers in the last few months, and were looking for this business to continue to a considerable extent when the war was over. Advices from England, however, agree that a definite policy is being worked out there by which tremendous efforts will be made to regain control of woolen and cotton trade that temporarily has had to be abandoned. The representative of one of the largest knitted goods firms in England told THE FINANCIAL POST that his house was now prepared to accept practically all Canadian business that offered, as their mills were operated largely by female labor and they had installed new machinery that enabled them to increase their pre-war output by 50 per cent.

All this indicates, of course, not only a keener competition for United States exporters, but also for Canadian mills. It is estimated, however, that not more than 50 per cent. of the export demand can be handled by British mills in woolen goods at present so that Canadian mills are assured of capacity business for a lengthy period.

So far as the labor situation goes, it may be stated that up to the present, this year, it has not become any more acute in a general way. Inquiries by THE FINANCIAL POST of cotton and woolen mills show that they are working with about the same staff as one year ago, although wages have advanced steadily.

Cotton continues around the 19-cent mark, as last week.

MERCURY MILLS.

This mill, manufacturing underwear and hosiery at Hamilton, is one of the youngest members of the Canadian knit goods family, but one of those that has shown a remarkable growth. It has been under the guardianship of a veteran in the knit goods industry, John Penman, of Paris, the founder of Penmans. Mr. Penman has not had any connection with the old company for several years now, but has kept an eye on the youthful "Mercury mills."

The annual report of this concern, whose stock is closely held, shows the best year by far in its history, big increases being noted not only in bulk sales but in net profits.

An official of the company told FINANCIAL POST this week that they look forward to even increased sales for 1917. The operation of the large new factory premises in the north-east end of Hamilton has been begun. The present mill may be kept open for some time to insure a sufficient supply of labor.

CANADIAN CONVERTERS.

A ten-share lot of Canadian Converters stock sold at 41 a few days ago, but the security has been very inactive, in spite of the fact that the earnings of the company the past fiscal year are believed to have been very satisfactory. The public shows no inclination whatever, to get into the market. This stock has a somewhat narrow distribution, and very little of it comes out for sale. The directors report the prospects for the coming year as being very bright.

CANADIAN COTTONS.

The high prices have had a tendency to restrict buying by the trade, but Canadian Cottons is doing a very satisfactory business. "We are, however, discouraging speculative buying," said A. O. Dawson, vice-president and managing director of the company to THE FINANCIAL POST. Mr. Dawson does not look for any lower prices in the near future, and says that New York cotton men are predicting 25-cent. cotton before long. A declaration of war between Germany and United States would probably be a bullish factor, particularly as the cotton crop is believed to be insufficient for the world's demands. The extensive orders carried over by the Canadian Cottons will keep the company's mills busy for a long time, even if no new business came in. The company's fiscal year will close to-day, but the annual meeting is not held until May. The company's financial statement for the year will be found a very satisfactory one. A twenty-five share of the common changed hands at 53½ early in the week, which is fractionally up from last week's price. Later another block sold at 52.

DOMINION TEXTILES.

Prices for fall are still held back owing to uncertainty of the raw market, but the mills are kept busy on the orders that remain for spring and summer delivery. The stock shows no signs of weakening; on the contrary the close of last week, 83½ was bettered by half a point at the opening this week when 76 shares changed hands at 84, which is 3 to 4 points above the average for the first two months of the year.

MONTREAL COTTONS.

A new departure in the textile industry of Canada, is the inauguration by the Montreal Cottons, of a plant for the manufacture of surgical gauze. The management expected to have this addition ready before this, but the arrival of the machinery was delayed, and it is uncertain just when the company will be able to start actual manufacturing operation on this new line. A number of automatic looms are also being installed by the company, which will make it possible for the output to be considerably increased. These new looms are replacing those of a more ancient type.

The stock jumped to 55 this week, an advance of 4 points over last week's close, and the highest touched since the second week of January.

PENMANS.

During the past three weeks this stock has shown a steady growth, moving finally from the 70 which was the regulation figure for the first ten weeks. This week marks a new high point for the present year of 73½, a gain of 1½ points over last week's close. The company is in an exceptionally strong position as the annual statement showed, and this undoubtedly is influencing the rise. The year 1917 can hardly help being another highly prosperous one.

MILLING

Trading in Maple Leaf on Dividend Increase the Feature of the Week.

By J. L. Rutledge, Editor Canadian Grocer.

Milling securities have continued in their rut of dullness this week with the exception of Maple Leaf which has continued to hold the position it has established for some weeks as the strongest and most active stock on the market; realizing sales were small on the dividend announcement considering the breadth of the advance. Otherwise the milling securities have shown no change and no reflection of the strength in the flour and wheat markets. The strong feeling towards flour appears to be the development of prospects of a short wheat crop in Argentine and in some sections of the United States where the winter growth is proving a disappointment.

An interesting feature of the flour situation, especially for those companies which may be looking for export trade in the Pacific, is described by the *Modern Miller*, which states that Japan has not only succeeded in nosing American millers out of Hong Kong but it is shoving the Chinese millers out of the same market. The Miller states that Japan exerts a powerful control on shipping between Puget Sound and the Orient, dictating who shall or who shall not have space aboard ship, dominating tonnage rates with shifty quotations, at the same time enabled to cut prices under all competitors, yellow and white, through Government ships, subsidies and multiplicity of sailings.

MAPLE LEAF.

The upward movement of Maple Leaf, which last week reached 115 and maintained that level for some days following the announcement of the expected increase in the dividend rate, developed only a comparatively slightly reaction, considering the breadth of the advance during the late trading. It was not until after the first of the month that par value was passed and since then the rise has been strong and steady and the feature of a dull market. The decision of the directors to make a distribution of 2½ per cent. for the quarter—payable April 18th to shareholders of record April 3rd—did not come as a great surprise in view of the stock's performance and reports which were more or less generally circulated. The stock is now, therefore, on a 10 per cent. basis, and in line with the other big milling concerns. The company's fiscal year comes to an end with this month, and it is expected that when the statement is presented to the shareholders there will be earnings of at least $1,250,000. It is pointed out that Maple Leaf has added investment attraction on the new basis as it returns about 8½ per cent. at the recent market. The company's capital is $2,500,000, so that the increase adds $50,000 to the annual dividend distribution.

OGILVIE MILLING.

During the late trading of last week fifty shares of Ogilvie Milling changed hands at 137½, but this has been the only transaction in the past fortnight. The price referred to indicated a decline of 3½ points from the previous but was on a par with the market about the end of February. The fact that the stock was ex-dividend on Thursday last accounts for 2½ points. The flour and wheat markets have been developing strength for some time and the outlook seems to be for higher prices. There was quite a little trading in the preferred around 112.

LAKE OF THE WOODS.

Lake of the Woods securities have been very dull. There has only been one transaction in the common in the past two weeks, and nothing in the preferred for a couple of months. The last sale of the common was at 125¾, which was ¼ off from the previous, and 4¼ points below the high of the year on January 2nd.

MINING STOCKS

A Waiting Period, With Prices Pretty Well Maintained and Some Slight Investment Buying.

In common with the general stock markets, the mining market is in an apathetic condition at the present time. Daily transactions on the Standard Exchange barely exceed 100,000 shares. Prices have pretty well discounted all possible trouble, and such slight selling as is to be noted has not radically affected the general levels. A little investment buying from quarters which believe the bottom has about been touched is also observable, though the volume is scarcely great enough to have any effect.

The strike danger is not seriously feared. Next month should see its removal from the list of probable developments. What has caused more concern this week has been the announcement of a proposed increase in the tax on mining companies, though here again the market did not decline appreciably on the publication of the news. It is hoped that the Provincial Government may be induced to forego the increase in the case of the gold mines, in view of the immense importance of stimulating production of the precious metal.

Silver at 72⅜ cents an ounce yesterday was ¼ cent higher than on Friday of last week. During the week the quotation for silver in New York dropped as low as 71¾ cents an ounce.

HARGRAVES.

This mine is now shipping regularly from the dump and is said to be working at a profit. Operations are being carried on in shafts one and three, where contact with the rich Kerr Lake No. 3 vein has been established. Kerr Lake is understood to have produced over 4,000,000 ounces of silver from this vein and the Hargraves management feel confident that they will make even a bigger yield from the vein.

Hargraves has again been one of the most active stocks on the Exchange. It held between 20 and 20¼ up to Wednesday, when it dropped under 20 and on Thursday sold down to 19.

TIMISKAMING.

It was stated by President F. L. Culver this week that another carload of high grade ore from the Timiskaming mine was ready for shipment. The ore, it is reported, will run between 4,000 and 5,000 ounces to the ton, giving the shipment an approximate value of between $85,000 and $90,000.

Timiskaming has been selling most of the week at 51½, but on Thursday eased off to 51.

HEDLEY.

The Hedley Gold Mining Co., which owns the Nickel Plate and other large properties in the Similkameen has declared another quarterly dividend of two per cent. making the total distributions $2,123,520. This dividend is at the same rate as paid in 1916, which is two per cent. less than the ten per cent. figure of 1915 and previous years. The rate of dividends was lowered owing to the increased cost of production, mainly in wages and supplies. At the same time there has been no increase in the price of gold produced.

TECK-HUGHES.

The mill at the Teck-Hughes property at Kirkland Lake started last week, and will be running regularly in a day or so. Work has been going on on the Teck-Hughes for over a year, or since the interests connected with the Buffalo Mine at Cobalt took over the property. As work has been confined principally to blocking out ore during the interval, ore reserves are now understood to be a long way in advance of mill requirements. The new mill at the present time is equipped to treat about 50 tons a day, but additional machinery, it is understood, is to be installed which will raise that capacity to 100 tons a day. The management propose running about 60 tons a day through the new mill, this tonnage to be increased later as development proceeds.

A few shares of Teck-Hughes stock sold during the week at from 73 to 71.

TOUGH-OAKES.

The Tough-Oakes mine at Kirkland Lake is now working with a very largely increased force, according to a report received from Swastika this week. Owing to power shortage the past winter, only about twelve drills were working, but since the new power line from Cobalt has been completed, and now that a power supply sufficient for all needs is assured, it is understood that the Tough-Oakes will continue increasing the number of drills until about 40 are in operation, the maximum capacity of the present plant. When in operation the mill will treat about 60 tons daily.

HOLLINGER.

S. R. Clarke, writing in the *Toronto World*, gives some information about a recent strike on Hollinger Consolidated, which he states is one of the greatest ever made in pre-Cambrian schist in any part of the world.

The normal output at the Hollinger Consolidated is $17,000 per day, but the recent find brought to this wonderful mine the greatest day in its history, writes Mr. Clarke. Two shifts of eight hours each took out $110,000 in gold at the point of special values. One of the small cars used for hauling ore in the mine carried $70,000 worth at one load, and altogether this rich pocket contained about six thousand pounds of ore averaging $25 per pound.

The officials of the mine are disinclined to give very full details, but it is well-known that strikes are not uncommon at the Hollinger Consolidated, though they generally pass unnoticed. They are, however, not all equal to that just mentioned. It was made at a depth of 425 feet on what was originally one of the Dixon claims.

The four-weekly report of Hollinger Consolidated Gold Mines for the period ended February 25th, shows gross profits of $210,868 as against the dividend requirements of $123,000 under the reduced distribution decided upon some months ago.

Otherwise the mining and milling operations as represented, are devoid of special significance, excepting that the cost per ton milled was nearly 8 cents higher than it was in the January period. The grade of ore milled in February averaged $8.54, compared with $8.71 in January, but the tonnage put through was 48,252 tons or 193 tons greater than in January.

Hollinger shares have been in small demand this week at $5.25 and were unaffected by the announcement of the increased taxation.

BOSTON CREEK.

The Boston Creek Mining Co. will be on a definite shipping basis in the near future, and a car of high grade ore will be sent out every week for some time.

Boston Creek shares have shown weakness in the latter part of the week, selling down from 115 to 112.

DOME MINES.

The company's fiscal year ends to-day and figures for the annual report will immediately be prepared. Homer L. Gibson & Co., estimate probable earnings for the year at $2,150,000, this company with $1,778,958 for 1915-16. The stock has been selling this week between 18.75 and 18.50.

DOME EXTENSION

Commenting on the option on this property held by Dome Mines, Homer L. Gibson & Co., says "It seems likely that this option will in time be exercised, although it is, of course, possible that Dome will ask for an extension until such time as they are able to arrange for facilities for handling a heavier tonnage of ore." The option extends to Oct. 15.

The stock has been weaker this week, selling down from 26½ to 21½.

SCHUMACHER.

During February 3,400 tons of ore, averaging $7.00 per ton, were treated at the mill, being about 500 tons short of the total for the previous month. Shortage of labor is given as the reason for the drop. Construction of the second mill unit starts shortly. Diamond drilling is being continued.

After selling at 60 on Monday and Tuesday, the stock declined to 59 on Wednesday, and sold as low as 56 on Thursday.

DAVIDSON.

Arrangements have been made to diamond drill the Davidson property and work will be started at once. It is proposed by the management to put one hole down to a depth of 1,200 feet for the purpose of cutting the main ore body at the 1,000-foot level. At present underground operations are being conducted at a depth of more than 300 feet.

There has been little movement in Davidson shares, which have been selling between 79 and 80.

KIRKLAND LAKE.

Work on the sinking of the shaft to the 600-foot level is being pushed ahead as rapidly as possible and the management expects to reach this level and cross-cut to the vein by the first of May. A new hoist has been installed and is now in operation, greatly facilitating the work.

INTERNATIONAL NICKEL.

An interesting schedule appears in the report showing the countries in which the shares of the International Company are held. This covers 89,126 shares of preferred stock and 1,673,384 shares of common stock. The great bulk of the shares are held in the United States, Canada and Great Britain coming next. Only 256 shares of preferred and 452 shares of common stock are held in Germany and Austria. Full details are given of the reorganization of the International Company in 1912. On 31st December, 1916, the common stock stood at $41,834,600 and the preferred at $8,912,600, making a total share liability of $50,747,200. Another table shows common stock dividends paid from 1910 to 1916, a total of $30,942,238. The profits from 1903 to 1916 aggregated $39,850,356; total assets, $61,230,813. Little further allusion is made to the question of any possible exports of nickel to Germany during the war, the commissioners stating that this question was not within their jurisdiction.

The Mond Nickel Company operates on a smaller scale than the Canadian Copper Company. It works the Garson, Worthington, Levack, Victoria and Kirkwood mines, the ore from which it smelts at the plant at Coniston, erected two or three years ago. The matte is sent to Clydach in Wales, where it is refined by the Mond process, invented by the late president of the company, Dr. Ludwig Mond. The products of the refinery are metallic nickel, nickel salts, and copper sulphate, the market for the latter is in the vine-growing countries of Europe where it is used to combat the enemies of the grape.

SMELTERS.

Although there will naturally be adjustments in the metal markets following the end of the war, W. D. Matthews, president of the Consolidated Mining & Smelting Co., states that it is becoming more and more evident that there will be a good demand for the company's products for an indefinite period. It may be expected that the general situation will remain firm in sympathy with the market for steel—and the outlook for steel and steel products for the after-war period grows better with a continuation of the conflict and the postponement of production for normal requirements. Late transactions in the stock have been around 31, indicating a decline of about one point for the week.

TRANSPORTATION

Interest in Report of Special Commission on Nationalization—Question of Increases.

In the Canadian transportation situation chief interest centres around the findings of the special Commission appointed to deal with the problems of the Grand Trunk Pacific and, incidentally, of the Canadian Northern and Grand Trunk, including the question of nationalization. Forecasts from Ottawa are to the effect that a majority report favors the nationalization of the Grand Trunk and Canadian Northern systems while a minority report favors corporation control. The majority report expresses the opinion that it would take about $100,000,000 to put the Canadian Northern and Grand Trunk systems on an efficient running basis.

THE POST is inclined to the opinion that the report of the Commission will only be Parliament's introduction to the question, and that what is recommended will not be anything more than a basis for discussion as to what course will be taken. In fact it is more than possible that the issue will be one which will find a prominent place in the next election. In the meantime the definite report of the Commission will be awaited as the first step in dealing with the question. We cannot but feel that the Government will be reluctant to take over and operate the systems, while on the other hand it is learned that Sir Thomas White, as Minister of Finance, has intimated that he will not countenance Government financing of the systems under private control to anything like the amounts indicated as being required.

Efforts to secure permission to increase freight rates are being made by both Canadian and American railroads and the outcome will be awaited with a great deal of interest by the holders of transportation securities in both countries. It is becoming increasingly evident that railroads on the North American continent are being run on a basis where the cost of operation is eating up the great bulk of the profits so that there is practically nothing left for the shareholder. In the States it is felt that in view of the eight-hour legislation which has been passed by Congress the request for higher rates cannot be refused. In Canada the efforts for an increase will, of course, be opposed, but there is an increasing feeling on the part of the public that the systems are entitled to higher returns.

CANADIAN PACIFIC.

The Canadian Pacific Railway Company reports gross earnings for the month of February of $9,084,276, an increase as compared with the same month in 1916 of $288,446. Expenses were $7,098,227, which left net earnings of $1,986,048, a decrease of $308,293.

For the week ending March 21, the gross earnings were $2,648,000, as compared with $2,281,000 for the corresponding period in 1916, an increase of $367,000, or 16.1 per cent. Following are comparative figures:

	1917	1916	Increase	%
Mar. 7...	$2,442,000	$2,198,000	$244,000	11.1
Mar. 14...	2,670,000	2,258,000	412,000	18.2
Mar. 21...	2,648,000	2,281,000	367,000	16.1

The British Government has requisitioned fifty per cent. of the space on the Canadian Pacific liners on the westbound voyage from the Orient to Vancouver. The action does not affect outward traffic, and, it is understood, is intended to insure adequate space for the transportation of Oriental merchandise to Canada. The demand for freight movement from the Far East has recently been so heavy that the reservation of this space has been regarded as a necessary step, particularly in view of the upward movement of freight rates. The vessels of the Canadian Pacific now engaged in trade between Vancouver and the Far East are the Empress of Russia, the Empress of Asia, the Empress of Japan and the Monteagle. The Empress of Russia and the Empress of Asia are boats of more than 8,000 tons net, while the others are of more than 3,000 tons net. The requisition of half of the space on these vessels, therefore, means the withdrawal from ordinary trade purposes of a considerable amount of tonnage and is regarded as likely to cause a further stiffening of rates on westbound traffic from the Far East.

CANADIAN NORTHERN.

For the week ending March 21, the gross earnings of the Canadian Northern Railway system amounted to $719,100, as compared with $549,000 for the corresponding period in 1916, an increase of $170,100, or 31.5 per cent. From July 1, the earnings were $28,949,100, compared with $23,154,800, an increase of $5,794,300.

	1917	1916	Increase	%
Mar. 7....	$669,100	$540,200	$128,900	23.8
Mar. 14....	738,200	538,000	200,200	37.2
Mar. 21....	719,100	549,000	170,100	31.5

The gross earnings for the month of February amounted to $2,358,600 as against $2,089,200 for the same month in 1916, an increase of $269,400. Operating expenses were $2,250,400, an increase of $290,600, and net earnings showed a decrease of $21,200, the figures for February this year being $108,200 against $129,400 for February last year. The aggregate gross earnings from July 1, to the end of February were $26,822,700, an increase over the corresponding period of 1916, of $5,295,100; the aggregate net amounting to $6,886,400, an increase of $977,100.

GRAND TRUNK.

For the week ending March 21, the gross earnings of the Grand Trunk Railway Company amounted to $1,054,639, as against $967,233 for the corresponding period in 1916, an increase of $87,406, or 9.0 per cent., which compares with an increase for the previous week of 11.6 per cent. Following are comparative figures:

	1917.	1916.	Inc.	%
Mar. 7 ..	$1,063,190	$992,026	$ 71,164	7.2
Mar. 14 ..	1,068,837	957,542	111,295	11.6
Mar. 21 ..	1,054,639	967,233	87,406	9.0

The Grand Trunk Railway Company of Canada was permitted before the Interstate Commerce Commission to operate the Canada-Atlantic Transit Co., a boat line on the Great Lakes. It owns all the stock for the corporation. Some time ago the commission denied the application of the corporation to own the Transit Company, but upon rehearing it was held that the boat line under the ownership of the Grand Trunk Railway is to the advantage and convenience of the people and that the relation between the two corporations would not prevent competition.

CANADA STEAMSHIPS.

Since the beginning of the new fiscal year on January 1st, the earnings of the Canada Steamship Lines have been running well ahead of last year, and profits made up to the present time and contracts which are being carried out indicate that for the months of January, February, March and April, or until the opening of navigation in Canada, the earnings on the ocean should run about $400,000 a month. This is at a time of year when the operations of the company are usually at a standstill, but with the large fleet which the company has now in operation on the Atlantic, the earnings are spread over the entire twelve months' period instead of six months, as was the case when the operations were confined solely to inland waters. These earnings made during the winter months will mean that the company has earned, exclusive of all surplus carried forward, an amount sufficient to provide for the payment of all remaining dividends on the preferred stock. While Canada Steamships did very well last year, the indications at the moment are that the showing for 1917 is likely to be more satisfactory to the shareholders. The common, which closed at 39½ last week, has ranged from 39 to 39½ this week, the preferred being fractionally higher, at 85.

W. E. Burke, Assistant Manager and Director of the Canada Steamship Lines, is very optimistic on the outlook for passenger and freight traffic the coming season. Asked as to what effect the new passport which every citizen of the United States must produce when entering Canada would have on tourist traffic, Mr. Burke replied that he did not think it would interfere to any great extent. He pointed out that taking into consideration the volume of American traffic at Lewiston daily, and particularly in mid-summer, it would be necessary for the American customs' authorities to have at least a small army of officers stationed at Lewiston.

At the end of 1916 the amount of tonnage of British registry on the Great Lakes was 218,000, or some 68,000 tons less than in 1915. The only new tonnage placed on the Great Lakes under British registry amounted to 12,000. At the present time there is only one boat—a 10,000-ton vessel—in Canadian shipyards under construction for lake traffic. Everything else is being built for ocean shipping. The prospect, therefore, is that a shortage of British tonnage will be experienced on the Great Lakes this season.

An analysis of the operating sheets of 15 roads in different parts of the United States indicates that they were compelled to pay out $20,000,000 more for transportation in the second half of 1916 than in the same period of 1915. They represented 25 per cent. of the mileage of the United States. The highest costs were in the trunk line territory and the lowest in the south and southwest. Lines like the Southern Railway, Illinois Central and Atlantic Coast Line handled a large additional gross business with comparatively little expansion in expenses. They are less congested and their labor problems are simpler. Some of the roads between New York and Chicago absorbed from 40 to 45 per cent. of their gross in moving traffic. The Great Northern increased its transportation cost more than its gross earnings. Even worse conditions prevailed in January than those pictured in the December half, and one might put up the familiar sign of "Watch, Look, Listen" to anticipate the February statements, which will bring a shock to many railroad shareholders, unless they are prepared to resist it in the knowledge that conditions are steadily improving, with March and April net probably bearing a better proportion to gross.

CUBA RAILROAD.

Reports from Cuba by the Federal Sugar Refining Company are to the effect that serious damage has been wrought to the Cuba Railroad, and the sugar industry as the result of the recent revolutionary disturbances. It is stated that it will take a long time for the railroad to put itself in good condition; a number of bridges have been destroyed. In the Santiago de Cuba district it is understood that most of the sugar cane has been destroyed by fire and the prospects for the sugar industry in that part of the island are, therefore, poor.

ELECTRIC RAILWAYS

Interest in the Fight Between Private Companies and Hydro Forces Continues.

The controversy between Sir Adam Beck, Sir William Mackenzie and R. J. Fleming, representing the Hydro Electric project on the one hand and the Toronto Railway and subsidiary interests on the other, is a matter of intense interest to the holders of securities in the various power development enterprises in the province. At the same time developments in connection with legislation affecting private interests have a direct bearing upon the whole situation. Sir Adam is doing everything in his power to defeat the companies which have been developed with the capital of pioneer investors in order to eliminate competition for his public ownership schemes. He accuses the Electrical Development Company of having stolen power beyond the rights of its charter and this the company denies; the courts should decide the question as to the meaning of the charter but Sir Adam is not likely to take any such orthodox course while he holds such influence in the legislature. The Toronto Suburban railway has asked for an extension of time for the completion of construction of its lines from Guelph to Kitchener and Guelph to Preston and Galt and also from Weston into Toronto but, on the advice of Sir Adam, the extension has been refused. He no doubt sees an opportunity for killing lines which would compete with those which he proposes to finance with municipal aid.

Public utility stocks have shared in the recent dullness which has been general in the markets but the tone has been firm and prices fairly well maintained.

ILLINOIS TRACTION.

The gross earnings of the Illinois Traction Company for the month of February, 1917, were $1,057,527, as compared with $1,002,662.23, the previous year. The net earnings over expenses and taxes amounted to $410,483.84, or an increase of .46 per cent. The first sale of a board lot that has taken place this year was on Wednesday, when 25 shares changed hands at 87, which is half a point down from the low of last year. The high price last year was 91.

Sales of Illinois Traction this week have been at 87, which is on a par with last week, but a point below the best of the month.

WEST INDIA ELECTRIC COMPANY.

The earnings of the West India Electric Company continue on a satisfactory basis. With the adoption of the central factory system in the sugar business, it is expected that there will be more prosperity and

(Continued on page 4.)

THE CANADIAN BANK OF COMMERCE

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UNION BANK OF CANADA

Established 1865

HEAD OFFICE - WINNIPEG

Paid-Up Capital ....$ 5,000,000
Reserve 3,400,000
Total Assets ....over $109,000,000

John Galt ....President
H. B. Shaw ....General Manager
J. W. Hamilton ...Assistant General Manager

This Bank, having over 305 Branches in Canada extending from Halifax to Prince Rupert, offers excellent facilities for the transaction of every description of banking business.

Travellers' Cheques and Letters of Credit issued payable all over the world.

Collections made in all parts of the Dominion, and returns promptly remitted at lowest rates of exchange.

Attention is particularly drawn to the advantages offered by the Foreign Exchange Department of our London (England) Office, and Merchants and Manufacturers are invited to avail themselves of the Commercial Information Bureau established at that Branch.

CORRESPONDENCE SOLICITED

THE MOLSONS BANK

Incorporated by Act of Parliament 1855

Capital Paid Up - - $4,000,000
Reserve Fund - - 4,800,000

Head Office, Montreal

Besides its 98 Branches in Canada, the Molsons Bank has agencies or representatives in almost all the large cities in the different countries of the world offering its clients every facility for promptly transacting business in every quarter of the globe.

Edward C. Pratt, General Manager

NEWS OF SECURITIES

Continued from page 3.

more business for the street railway company. The natives are liberal spenders when they have the money, and riding on the street cars never ceases to be more or less of a novelty to them. The net profits of the past year would have been larger had it not been for the extraordinary increase in freight rates. The company has to import all its supplies from the States, and the matter of freight rates is quite a factor. The most recent quotation for the stock was 77, but little interest has been displayed in it for some time.

SHERBROOKE RAILWAY.

The fact that Manning & Co., brokers are offering 25 shares of Sherbrooke Railway & Power Company at 10, would seem to indicate that someone failed to take advantage of the opportunity to exchange these shares for Southern Canada Power Company preferred. THE FINANCIAL POST advised holders of Sherbrooke stock to make the exchange. Southern Canada Power preferred should make good eventually, while the value of Sherbrooke is problematical.

MONTREAL TRAMWAYS.

The gross earnings of the Montreal Tramways Company for the six months ending December 31st, 1916, were $3,705,219, as compared with $3,264,581, in the previous year. This is an increase of 13 per cent. The operating expenses were $2,099,629, as compared with $1,778,160 in 1915. The net earnings were $1,605,589 as compared with $1,486,420 last year. The surplus after all charges, including the city's percentage, of $194,518, bond interest of $403,722, debenture interest of $400, and taxes of $46,800, was $560,499, as compared with $465,245 the previous year. Information from New York is to the effect that the company has arranged for financing to take care of the $7,000,000 notes due on April 2nd. The announcement of the terms of the new issue of notes shows that the company is paying pretty well for its money, as the syndicate will take the notes at a cost of 95, and interest, which includes a purchaser's profit to the firm of Potter, Choate & Prentice, while to the public the notes will be offered at 98½ to yield 6.75 per cent. The new issue of notes is for $5,850,000, of which $5,350,000 has been taken over by the firm of Potter, Choate & Prentice. The notes are for two years, at 6 per cent., dated April 2nd, 1917. The proceeds from the sale of the notes will be used to retire the $7,000,000 issue, and the difference will be paid from the treasury of the company. The notes which have just been provided for, were sold in the late winter of 1915, partly as a refinancing operation. The company's common stock has been inert for some time, the latest quotation being 180. The debenture stock is firm at 77.

DULUTH-SUPERIOR.

The Duluth-Superior Traction Company reports gross earnings for the month of February of $117,240, as compared with $105,151 for the same month in 1916, an increase of $12,089, or 11.5 per cent. Operating expenses were $77,592, against $69,623, an increase of $7,969, while the net earnings were $39,648, compared with $35,527, an increase of $4,121, or 11.6 per cent. For the year to date the gross amounted to $246,214, an increase over the corresponding period in 1916 of $36,207. Net earnings amounted to $84,919, an increase of $19,988.

Reports of the operations of the Duluth-Superior system indicate a continuance of very satisfactory earnings, and the results are showing a substantial margin over a year ago. The stock this week sold up to 50½ on small transactions, which is an improvement of half a point over last week and the best showing since the latter part of February.

TWIN CITY.

Gross earnings of the Twin City Rapid Transit Company for the second week in March amounted to $202,872, as compared with $189,284 for the corresponding period in 1916, an increase of $13,587, or 7.18 per cent. For the month to date the amount was $404,116, an increase over the corresponding period last year of $23,706, or 6.23 per cent. For the year to date the earnings were $2,109,437, an increase of $106,653, or 5.33 per cent.

For February the gross amounted to $827,373, an increase over the corresponding period in 1916 of $16,953. Net earnings were $250,515, a decrease of $36,854.

Twin City this week sold at 93¼ to 94, which indicates little change from the usual range. Sales were few.

Porto Rico touched 40 this week and at that figure represented the top of a movement which has been in evidence since the first of the month when the figures were 35; sales have been few. The company opened the year at 35, but worked up to 42 before the end of January, after which there was a period in which no interest was taken.

PORTO RICO.

The February gross earnings of the Porto Rico Railways Company amounted to $72,851, as compared with $68,149 for the same month in 1916, an increase of $4,702, or 6.90 per cent. Net earnings were $35,794, compared with $35,750, an increase of $44, or .12 per cent. Comparative figures follow:

February—	1916.	1917.	Inc.
Gross	$68,149	$72,851	$4,702
Net	35,750	35,794	44
For two months—			
Gross	135,884	143,247	7,362
Net	70,074	67,621	*2,453

*Decrease.

NORTHERN OHIO TRACTION.

The Canadian holders of the common stock of the Northern Ohio Traction & Light Company, have all taken advantage of the offer of $100 a share made for the stock by the interests which now control the company. As they acquired this stock at 35, they are pretty well satisfied with the investment. C. L. McCuaig, of McCuaig Bros., was formerly a director of this company, but retired when the reorganization took place. The Canadians got cash for their holdings.

TORONTO RAILWAY.

There has been little change in the market this week and trading has been lighter than for some time. Late sales were at 88½ and the best of the week was half a point higher.

BARCELONA.

Trading in Barcelona this week developed very little interest and transactions were on a small scale. The range of prices from 12 to 12¼ was about on a par with last week.

BRAZILIAN.

Brazilian dropped as low as 42 this week, which is the bottom of the market for this year. This company continues to show satisfactory results under local conditions, but the exchange penalty continues as a serious handicap with difficulties in relation to shipments increasing while the European market for coffee grows narrower; some relief is afforded by the live stock industry which is rapidly developing.

DETROIT UNITED.

Detroit United has continued to attract a fair amount of interest, although buying has not been on anything like the scale of a fortnight ago. The price this week declined as low as 115½, which is 2 to 3 points below last week.

QUEBEC RAILWAY.

There was a little more interest this week in Quebec Railway, with the price improving up to 25¾, which is about a point above last week's level.

WINNIPEG ELECTRIC.

After dropping to 72 last week, a decline of 8 points below the best of the month, Winnipeg Electric has remained without action and has received no attention from traders.

LIGHT AND POWER

ALABAMA TRACTION.

W. J. Henderson, director and secretary of the Alabama Traction Company, has returned from a visit to the company's properties down south, and reports the business prospects as being very bright. A factor that is expected to largely increase the revenue of the company, is the establishment of a $20,000,000 steel plant in Alabama. This concern will afford a markket for a large quantity of power.

CIVIC INVESTMENT.

The Civic Investment Company, which, in addition to supplying the City of Montreal with electricity for lighting and power, also supplies gas, is being faced with the serious problem of increasing cost of production as the result of the abnormal price of coal. Owing to the rise in the cost of raw material, a substantial increase in selling rates is warranted and this the average consumer should be willing to admit considering the price he has to pay for other fuel. However, so far as the Civic Investment Company is concerned, Sir Herbert Holt, the president, states that no decision has been reached as yet; however, the matter is under consideration. Trading in the company's securities this week has been on a very limited scale with the price showing little tendency to vary from 81¼ which, however, is about half a point under last week. The fiscal year of the company closes on April 30.

SACKVILLE RIVER POWER.

Three blocks of $10 shares of the Sackville River Power Co., at Bedford, aggregating nearly 1,000 in number, were sold last week for a total of $2,499. The price ranged from $2.00 per share to $2.65, and the purchase of the greater part of them was for L. A. Lovett, K.C., who previously controlled the stock. The stock was sold to liquidate an account of the Canadian General Electric Co. for equipment supplied, and for advances made by Mr. Lovett and other parties to J. A. Dunn, who was the promoter of the company, and is now manager under a contract for a short term of years. The price realized for the stock is not a fair criterion of its real value, for there is a good territory at Bedford and on both sides of Bedford Basin, and the company should do well. The company has been in operation for several years and those interested in it believe that it can be made to pay on a comparatively light capitalization. There is small issue of bonds.

SHERBROOKE RY. & POWER CO.

The purchase of the Two Mile Falls power site by the city of Sherbrooke, was not opposed by the Sherbrooke Railway & Power Company, as the city has adopted a policy of selling cheap power as an inducement to industries to locate there, and the location of new enterprises will be beneficial to the company, as the earnings of the Street Railway will be increased. The Sherbrooke Railway & Power Company is now selling power to the city of Sherbrooke under a three-year contract.

SOUTHERN CANADA POWER CO.

Following are the estimated earnings of the Southern Canada Power Company and its subsidiaries, for the year 1917, based on recent earnings:

Gross		$436,662
Expenses		217,118
Net		$219,544
Southern Canada Power Co. has fixed charges	$90,000	
Shrebrooke Railway & Power Co. has fixed charges	65,000	
		155,000
Surplus		$ 65,544

SHAWINIGAN.

Trading in Shawinigan this week was in narrower bounds than usual, even for a quiet market. However, there was considerable range in the prices between 127½ and 124.

OTTAWA LIGHT & HEAT.

A few shares of Ottawa Light & Heat changed hands this week, and, although there was a slight improvement to 86 early, this was lost, and the price reverted to 85, which compares unfavorable with 90 during the first week of the month.

CONSUMERS' GAS.

After selling down to 162½ last week, Consumers' Gas has not been traded in recently. The last transaction was at 163, which compares with a high of 165 for the month. With improvement in the transportation situation, the coal famine has passed so far as the company is concerned, but the outlook is that abnormal prices for the chief raw material from which gas is made will continue indefinitely.

PULP AND PAPER

Market Did Not Retain Advantage Gained Last Week Following Increased Laurentide Dividend.

By W. A. Craick.

Following the slight revival of interest in the pulp and paper stocks of last week, which was inspired by the announcement of an increase in the dividend on Laurentide, the market has again relapsed into a condition approximating that before this news became public. Oddly enough the seven active stocks, which THE POST has selected for comparative purposes, have experienced in the aggregate a decline during the week of precisely the same amount as they gained in the previous week. The loss was an all-round one, though the more speculative issues declined more comparatively than the investment stocks, which held their ground relatively well. The following table shows the movement for the week:

	Close Mar 22	Close Mar 29	Ch'nge
Laurentide	188	186	—2
Riordon	122	121½	— ½
Spanish, com.	17⅝	17¼	— ⅛
do., pref.	55	53	—2
Wayagamack	83	83	...
Brompton	57½	54¼	—3
N. A. Pulp	6½	5¾	— ¾
Net change, seven stocks			—8⅝

Reports received by the Newsprint Manufacturers' Association from various American and Canadian mills indicate that there is no decrease in the demand for newsprint paper, and there is likely to be none, says *The Wall Street Journal.*

Owing to the fact that several companies have stopped making newsprint paper in the past twelve months, one would naturally expect a falling off in the production of this grade of paper during February, but with only 40 companies reporting, the production averaged 5,050 tons per day, compared with average daily production of 4,974 tons for February, 1916, with 44 companies reporting.

For the first time in over a year there is an apparent increase in stock on hand. Storage stocks at the end of February, with forty mills reporting, amounted to 48,488 tons compared with 43,332 tons at the end of January, with forty-two mills reporting. This increase is caused by difficulties in procuring cars and making shipments from the mills, and in some cases mills were forced to shut down during the month on account of their inability to store more paper and the impossibility of procuring cars in which to ship the same.

Brompton.

The earnings of the Brompton Pulp and Paper Company continue on a very satisfactory scale, the company finding a ready demand for all its products at good prices. Under a new ruling of the Montreal Stock Exchange, all pulp and paper companies which are given listing privileges in the future must make a monthly tonnage statement to the Exchange. This ruling will apply to Brompton, Abitibi and the Provincial Pulp and Paper Company, but will not be retroactive, and the "Street" will not have this interesting information about Laurentide, Wayagamack, Spanish River and Riordon. Brompton closed last week at 57, but was weaker this week, selling at 56½ on Monday, and then 55½.

Laurentide.

After its advance from 182 to 191 last week, after its dividend had been raised from 8 to 10 per cent., Laurentide shares suffered a slight relapse. A small sale was made on Monday at 188, and again on Thursday at 186, but otherwise the stock has been quiet.

New Brunswick Sulphate Fibre.

Construction work on the new mill which is being erected by the New Brunswick Sulphate Fibre Company, at Millerton, New Brunswick, is going forward rapidly, and it is expected that the plant will be in operation by the 1st of May. The output of the company will be twenty tons of sulphate pulp per day. This property was acquired by the present company from Sir Robert Perks, who acted on behalf of the bondholders of the old New Brunswick Pulp and Paper Company. The company has a capital of $200,000. The officers are as follows: Howard Smith, president; W. D. Robb, vice-president; Harold Crabtree, secretary-treasurer and managing director.

Mr. Crabtree, the managing director, informs THE FINANCIAL POST that the company's product will be exported to the United States. In normal times he expects that it will be shipped by water. It is possible that the company will manufacture paper eventually, but while the price of sulphate pulp continues around $100, the company will confine its operations to that product.

Wayagamack.

The only adverse factor that is being experienced by the Wayagamack Pulp and Paper Company these days is the transportation congestion, which affects both inward and outward shipments. The situation is gradually improving, however, and with the coming of warm weather the company's operations will be hampered to a lessened extent. The high prices of sulphate and kraft, which are the only products of the company, mean continued large earnings. The stock, which closed at 82½ at the week-end, advanced to 86 on Monday, but weakened again on Tuesday, the asked price being 83, with no bids at that figure.

Price Bros.

Price Bros.' securities did not share in the flurry which agitated the pulp and paper stocks last week, but remained stationary at 117. The company is doing exceedingly well, according to all reports. Not only is it participating in the prosperity which is general throughout the paper and pulp industry, but it is also doing a very satisfactory lumber business.

Provincial Paper.

Provincial Paper Mills Company, Limited, which recently placed its $2,481,300 common stock on a 4 per cent. dividend basis, reports net earnings available for dividends of $416,594 for the year ended December 31st last. Allowing for a year's dividend on the preferred stock, the balance was equal to 12 per cent. earned on the common shares. After all dividend payments for the year the company carried forward $278,818.

The company owns mills at Mille Roches, Thorold and Georgetown, in Ontario. These were formerly operated separately as the St. Lawrence Paper Mill, the Montrose Paper Mill and the Barber Paper and Coating Mills respectively. The Provincial Company, which is headed by I. H. Weldon, of Toronto, was originally formed as a holding concern, but a year ago acquired the controlled properties outright.

The stock is to be listed shortly on the Montreal Stock Exchange. It has been dealt in for some time in the unlisted section of the Toronto Exchange, being quoted recently at 50½ asked, with no bids.

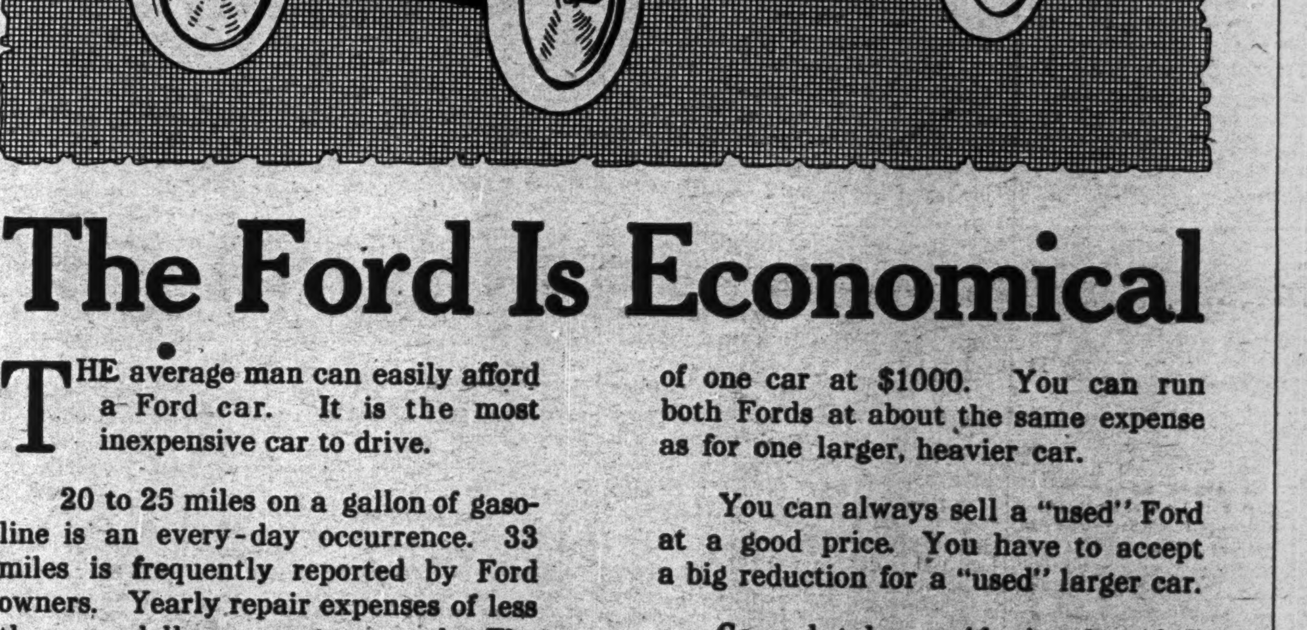
Spanish River.

Shares of the Spanish River Pulp and Paper Company are being dealt in daily in limited quantities. The trend of prices during the week has been slightly downward. The common sold off to 17 and the preferred to 53, after being quoted at 17¾ and 55 respectively.

St. Maurice Paper Company.

It is expected that the second digester of the new sulphite mill of the St. Maurice Paper Company will soon be completed and in operation. The machinery has all arrived, and it is being assembled as rapidly as possible. The new sulphate mill will not be ready for some months yet. The company's difficulties with respect to getting cars have been straightened

(Continued on page 5.)



The Ford Is Economical

THE average man can easily afford a Ford car. It is the most inexpensive car to drive.

20 to 25 miles on a gallon of gasoline is an every-day occurrence. 33 miles is frequently reported by Ford owners. Yearly repair expenses of less than one dollar are not unusual. The car is light in weight, and tires give more mileage on a Ford than on any other car.

You can buy a Ford for yourself and one for your wife for the price of one car at $1000. You can run both Fords at about the same expense as for one larger, heavier car.

You can always sell a "used" Ford at a good price. You have to accept a big reduction for a "used" larger car.

Go and take a ride in the 1917 model. See how comfortable it is. And stylish, too—stream line effect, tapered hood, crown fenders, beautiful finish. You need one for business. Your wife and children need one for pleasure and health.

Ford Motor Company of Canada, Limited, Ford, Ontario

Over 700 Ford Service Stations in Canada.

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NEWS OF SECURITIES

Continued from page 4.

nt to some extent, although the situation is far from satisfactory yet. The demand for ground wood pulp has slackened off somewhat, but the price continues firm. The Union Bag and Paper Company, of which the St. Maurice Company is a subsidiary, has had a very satisfactory year, and the earnings of the latter company are expected to be even more of a factor the coming year.

OTHER STOCKS

Market Continues Heavy, With Trading Narrow, But Underlying Strength Evident.

There has been no marked improvement in the general market situation and the heavy tone continues. Occasional bright spots are noted, largely under New York influence, but for the most part the market continues in the rut which it has occupied for some weeks. The fact that the Dominion loan is now practically a thing of the past may divert more attention to stock trading, but this is not likely to have great effect. Such industrial reports as that of the Steel Company of Canada seem to have little or no influence upon the situation, which is one of waiting on international developments. However, while the market shows little tendency towards any general forward movement, it is equally evident that a readjustment to lower levels is not favored. It requires very little buying or selling to cause a sharp response in quotations. Dealers state the opinion that the situation is due to the general uncertainty prevailing and the fact that people generally have sufficient funds to protect themselves, and are prepared to await developments. Of course, chief interest centres upon the German-American situation, and the probabilities of a further break between these nations. War, it is figured, would not be a severe shock, as such an eventuality has been considered for some time, while on the other hand, the placing of munitions orders for the United States Government would undoubtedly mean an extended lease of activity for many industries, an activity which would be more or less reflected in Canada. On the other hand, war would create a more serious problem as to labor, and the shortage is already acute.

Auer Incandescent Light

The fiscal year of the Auer Incandescent Light Company closed on the 28th of February, and the annual meeting will be held the third Wednesday in April. While the company has more than paid expenses there will be nothing for the shareholders. The almost universal adoption of electric light instead of gas for illuminating purposes, has made a great difference in the company's earnings. At one time it had over four thousand mantles rented, for which a substantial sum in the aggregate was realized. The revenue from this business is now practically nil, owing to the fact that so few people use gas. The company has gone into electrical supplies and is building up a sound jobbing business. Eventually it is hoped that dividends may be resumed, but the prospects are very remote at the present time. However, the shareholders, or at least those who acquired their stock in the early days of the company's history, have little cause for complaint as they have had their money back and more in dividends.

B. C. Packers.

Regarding the British embargo against importation of foodstuffs, official word has been received at Ottawa to the effect that in addition to allowing the importation of canned salmon up to 50 per cent. of last year's importation the British Government has now agreed to purchase 600 tons of Canadian salmon per month.

Black Lake Asbestos.

Some activity recently in the bonds of the Black Lake Asbestos and Chrome Company has again directed attention to the improvement in the affairs of that company. Last year there was a material increase in earnings as the result of improved market and demand for the company's products and this improvement is not only continuing but will be more emphasized during the current year owing to the fact that practically all the old contracts have been completed and the company is now in a position to reap the full benefit of the market which is about one hundred per cent. higher than before the war broke out. Under such circumstances the forecast of an output of 4,000 tons for the year, as compared with 3,000 tons in 1916, gives ground for the prediction that profits for the year will probably run to $150,000; operations during January and February were very satisfactory considering the fact that as a usual thing it is not expected to make any profits during these months. The bonds outstanding amount to $1,250,000 and they bear interest according to earnings up to 6 per cent.; they are technically second mortgage security but in view of the fact that the authorized first mortgage bonds were never issued they are a serious claim upon the assets. The full 6 per cent. would call for an annual distribution of $75,000 and if the earnings turn out as good as predicted it is considered likely that in September next the half yearly declaration will be raised to 3 per cent., with another 3 per cent. at the end of the year. The last financial statement showed the company to be in a satisfactory position, about $136,000 of the $180,000 of current assets being immediately available, while current liabilities amounted to only $17,000; further, it is pointed out that of the $8,200 charged to general expenses $4,500 was in settlement of an old claim. Recent trading in the bonds was around 30.

Carriage Factories.

The various plants of Carriage Factories, Limited, are running to full capacity at present. Orders have been coming in at a very satisfactory rate. Factors which makes the element of profit an uncertain one, are the difficulties brought about by the transportation congestion, and the constantly increasing cost of materials. The company has sufficient business on hand to keep its various plants busy for some months. Orders have already been received for one thousand automobiles, and if the necessary supplies of materials can be obtained, it is expected that fully two thousand cars will be sold. Although the directors are very conservative in making estimates of results of the current year's business they at least expect a very considerable improvement over the past year. There has been no trading in the company's securities for some time the most recent quotation for the common being 15 asked and 11 bid.

Canadian Westinghouse Co.

The Canadian Westinghouse Co. in its fiscal year ending Dec. 31st, showed earnings amounting to $1,154,533.71. The general depreciation of the property and plant was recognized by writing down appropriate items according to established standards to the extent of $175,000, leaving a net profit of $979,533.71. From the year's profits dividends amounting to $499,616.75, being at the rate of 10 per cent. on the outstanding capital, were paid, and the remaining balance of $479,916.96 was carried forward to profit and loss, which account showed as of Dec. 31st, 1916, a total of $2,303,692.24. The industrial features of the year were a continuation of the conditions awakened in 1915 by extended purchases in Canada at the hands of the British and allied Governments. All possible agencies of manufacture were increased and pressed into service for a continually expanding contribution in munitions and supplies to the war now in its third year. As the products of the company lie at the foundation of all manufacturing and transportation activity, it has, consistently with its record for quality in design and fabrication, been able to furnish its accustomed large quota of apparatus in its established lines. Aside from this standard work, the company made its direct contribution to the same end by successfully furnishing the quantities of munition items assigned to it by the Imperial Munitions Board.

Canadian Car & Foundry Company.

Optimistic reports concerning the final wind-up of the Russian car order, and the satisfactory termination of the protracted negotiations with the insurance companies over the Kingsland fire loss, caused a sharp revival in the trading in the securities of the Canadian Car and Foundry Company on the Montreal Exchange on Wednesday. The preferred, which closed last week at 71½, quickly advanced to 73½ on extensive trading, and before the close had touched 74. On Thursday the trading was somewhat diminished in volume, but the price held firm, going as high as 74½, closing at 73½. The common trailed along, advancing to 30½ on Wednesday, and to 31¼ on Thursday. Several hundred shares changed hands. The principal buying was said to be for interests closely identified with the company. Another factor of a bullish nature was the report from Fort William, that the plant in that city was to be re-opened within a few weeks. This satement could not, however, be confirmed at the head office. The position appears to be that the officials hope that the business will justify the starting up of the Fort William plant shortly, but that no definite arrangements have been made to that end. It is also reported that the company has been able to settle several of the large claims for commission on the Russian car order at a considerable reduction on the amounts claimed. It is understood that the only claim of that kind now outstanding is that of the Dollar Company.

The returns from the Kingsland scrap are said to have far exceeded in value the expectation of the company.

City Dairy.

City Dairy securities still fail to attract buyers and the asked price of 40 for the common fails to bring any response. Reports indicate that there is some improvement in the company's affairs as regards internal organisation and that expenses are being materially reduced. Improvement may be expected to be gradual under the abnormal conditions prevailing but it may be accepted that the "corner has been turned."

Canadian Salt.

A transaction in Canadian Salt took place this week at 130, five shares being turned over at this price which indicates no change from the previous price a couple of weeks ago.

Canadian Rubber.

After being a dead issue for about two months Canadian Rubber common came into the market at the close of last week, one share changing hands at 90. This compares with a previous 97½. The preferred on the same day sold at 95, the first transaction since the first week of the year, when the price was 96. There has been no news to explain the decline in the common referred to, although there has been some readjustment of business conditions which have narrowed the margin of profits.

Canada Bread.

There has been no demand for the securities of this company this week. Late quotations of 16 offered and 17 asked for the common do not indicate any change in the situation. The stronger tendency in the flour market is not considered as having any great effect upon the affairs of the company further than indicating that the period is still far distant when a readjustment to normal conditions can be looked for.

Dominion Steel Corporation.

In reply to criticisms of the policy of the Dominion Coal Company made at the Board of Control this week in Montreal, William McMaster, in the absence of Mark Workman, president of the company, stated that the statements made were far from the facts. With reference to the statement that no coal had been shipped to Montreal during the last two years, Mr. McMaster said that during the seasons of 1915 and 1916 over two million tons had been transported by the company from the Cape Breton mines to St. Lawrence ports, the bulk of it having been delivered to Montreal. The output of the company had fallen very considerably during the war, owing to the scarcity of labor, but every effort was being made to relieve the situation. Mr. McMaster stated that it was quite true that the company was shipping coal to the United States. During the dark days of 1914, it was imperative that some action be taken to keep the mines open and the men employed, and the company entered into term contracts with American concerns for a small portion of the company's output. The company was carrying out these contracts at a considerable loss.

Dominion Canners.

In connection with the embargoes on imports recently established by the British Government, official information has been received at Ottawa by Sir George Foster stating that there has been a concession to permit a 50 per cent. import of canned apples. This relaxation, however, evidently applies only to existing supplies, and will not be effective after July 1st, unless there is a material change in the existing shipping conditions.

Sales of the stock this week at 23 indicated an improvement of two points from the previous. Shareholders will now be looking forward to conditions affecting the new pack. The preferred finished last week at 74½-74¼ but there has been no trading this week.

General Electric.

When Canadian General Electric improved to 112 this week it touched the highest point it has made since the latter part of January. The volume of trading was not heavy and the advance was an indication of the general tone of the market and the response which many investment stocks make to anything like interest on the part of buyers. The company's operations continue on a very satisfactory basis with prospects that adjustments to after war conditions will be effected in a favorable manner.

Goodwins.

The annual statement of Goodwins, Limited, is reviewed in another column. It indicates a marked improvement in the affairs of the company as compared with a year ago but owing to the fact that there has been some change in the bookkeeping as regards interest account the past two years it is difficult to make comparisons with previous records. The surplus carried forward amounts to about $125,000 which is slightly more than 7 per cent. on the preferred stock outstanding but the directors do not consider it advisable to take up the matter of a distribution to the shareholders at this time. The transaction in the preferred at 45 last week is the only indication of the current year of market opinion of the company's securities.

Hudson's Bay.

An indication of the increased sales of farm lands in Western Canada in the last half of 1916 and in 1917 to date, is found in the figures of the land department of the Hudson's Bay Company. In the last quarter of 1916 the company sold 93,300 acres, which compares with 29,200 acres in the corresponding period in 1915, the average price per acre being $17,43 and $17.23, respectively. For nine months to December 31, 1916, sales were 184,800 acres for $3,109,500, which compares with 48,700 acres for $818,000 for the corresponding period of 1915; for this period the price in 1916 was $16.82 per acre and in 1915 $16.79 per acre. It is pointed out that sales have been made chiefly to settled farmers, who are in this way putting out their war profits and enlarging their own operations.

International Paper

International Paper in its fiscal year to December 31st last, is understood to have earned approximately $18 per share for its $17,442,800 common stock after deducting the entire 6 per cent. preferred dividend, states *The Wall Street Journal.* This is, of course, far and away the biggest balance of profits that twelve months of sales have ever produced. In 1915 the company disclosed but 5.44 per cent. for its preferred, and even in the good year of 1906 profits for the preferred ran up to but 8.86 per cent. and accounts were not then kept with anything like the strictness of present methods.

The company's annual statement is overdue, but it is believed that shareholders will shortly receive a record of 1916 operations that in point of working capital and internal financial strength will make agreeable reading.

International Petroleum.

When International Petroleum passed $15 this week it showed a gain of over $3 per share this year. Interest of the stock continues to centre in the proposed merger of certain oil interests in the Western states to which reference has been recently made. The local market is following the New York curb where the stock has been attracting a lot of attention.

International Engineering Company.

The annual meeting of the International Engineering Company will be held within the next few weeks, when it is understood that a very satisfactory financial statement will be presented for the past year. The earnings will show a very substantial increase over the past year. The Amherst plant is now running 24 hours a day, and has had a fairly satisfactory output both in its shell and boiler departments. The Framingham plant has shown a nice profit on the year's operations.

Loew's Theatre.

The fact that war conditions have not seriously interfered with the public attendance at amusement houses is indicated in the satisfactory results which have attended the Marcus Loew enterprise in Toronto. Although this theatre was in operation only seven months before the war began, and has since then been frequently used for patriotic purposes without profit, the directors this week declared in addition to the regular preferred dividend at the rate of 7

(Continued on page 6.)

"—One Way Out

A man said to us the other day:

"If only I had saved $5 a week from the day I got married, I would not actually have been in the position of a beggar the day I lost my employment. We could have lived just as well on $30 a week as we did on $35, and, if I had saved the $5 a week for 14 years, I would have had about $4,000 in capital the day I was discharged. What a fool a man is not to save when you make it so easy for him to do so."

LET US SHOW YOU THE WAY

Write for our booklet entitled "Profits from Savings." It shows you how to save and how to make your savings earn good profits with safety. Write for it now.

STANDARD RELIANCE
MORTGAGE CORPORATION
Head Office 82 88 King St E Toronto

Branch Offices:
AYR BROCKVILLE CHATHAM
ELMIRA NEW HAMBURG

National Trust Company
Limited

DIVIDEND NOTICE.

Notice is hereby given that a dividend for the three months ending March 31st at the rate of

TEN PER CENT. PER ANNUM

has been declared upon the Capital Stock of the Company, and that same will be payable on and after April 2nd, 1917.

The Transfer Books will be closed from the 21st to the 31st March, both days inclusive.

By order of the Board,
W. E. RUNDLE,
General Manager.
Toronto, March 7th, 1917.

RIORDON PULP & PAPER COMPANY

6% First Mortgage Bonds

Assets over seven times Bonds outstanding.

Earnings for 1916 fifteen times Bond interest.

A copy of a new circular which we have prepared will be sent on request.

Royal Securities Corporation Limited
164 St. James Street - MONTREAL
12 King Street East - TORONTO

A Large Established Farm Mortgage Loan Company seeks additional loaning connections in Alberta and Saskatchewan.

Supervisor of Western offices will make appointments for personal interviews in February and March.

Address inquiries with full particulars to
"K. N. R., The Financial Post, Toronto, Ontario"

ERICKSON PERKINS & CO.

Members New York Stock Exchange

STOCKS
AND
BONDS

Private Wires

14 KING STREET WEST
TORONTO

Sale of Lands in the City of Edmonton for Arrears of Taxes

NOTICE is hereby given that certain lands in the City of Edmonton will be offered for sale, for arrears of taxes, on Thursday, the 12th day of April, 1917, at 10 o'clock in the forenoon, at the Albion Hall, in the City of Edmonton. Full information, with list of lands can be had by applying to

F. BARNHOUSE,
Treasurer of the City
of Edmonton.

NEWS OF SECURITIES

Continued from page 5

per cent. a payment of 1¼ per cent. for the quarter on the common. This places the junior issue on a seven per cent. basis. Last year the company paid one common dividend of 6 per cent., but the higher rate may now be regarded as the established basis.

Lyall Construction.

The Lyall Construction Company does not appear to be worrying about contracts, notwithstanding the reports that have emanated from Ottawa about cancellations and renewals. This company is likely to have all the business that it can handle as long as shells are required from Canadian makers. The investment in plant has been very large, running, THE POST understands, well over a million dollars, and it has been practically all paid for. The company's production of shells is very large, and the percentage of waste small. The company's other contracts in the line of construction work, are being advanced at a satisfactory rate. The company's stock, which advanced from 71 to 79 last week, is a little softer this week, at 77 asked, and 75 bid.

Macdonald.

The annual statement of the A. Macdonald company reviewed in another column will provide interesting reading for the shareholders of that concern. There is a considerable improvement in the earnings for the year but the directors have not as yet considered it advisable to make a dividend distribution on the preferred which was three years in arrears at the end of 1916. It will be noted that the matter of a readjustment of the common stock capital so as to dispose of the heavy burden of good-will has been passed over to the shareholders by the directors who stand by their suggestion of last year. In view of the company's position and the poor prospects that it will be able to satisfactorily carry the heavy load of water it is to be hoped that the shareholders will face the issue in a business-like way at the annual meeting. Trading in the common this week has covered a few hundred shares at 14 to 14½.

Northern Crown Bank

HEAD OFFICE, WINNIPEG

Capital (authorized)	$6,000,000
Capital (paid up)	$1,431,200
Rest and Undivided Profits	$848,554

DIRECTORS.

President, Capt. Wm. Robinson.
Vice-President, Jas. H. Ashdown.
W. R. Bawlf, A. McTavish Campbell, Sir Douglas Cameron, K.C.M.G. E. F. Hutchings, Sir D. H. McMillan, K.C.M.G., John Stovel.

General Manager - Robert Campbell

A GENERAL BANKING BUSINESS TRANSACTED

W. G. YULE,
Manager - - - Winnipeg Branch.

Why Burden Your Wife?

If you wish to appoint your wife as executrix or trustee under your will, why not assist her to carry the heavy burden by appointing this Corporation as co-executor.

Your estate will thus have the advantage of the personal direction which she can give, and she will be relieved of the burdensome details necessarily involved in the management of any estate. Also she will receive invaluable assistance in regard to investments.

Our officers will be glad to confer with you in regard to the making of your will or any trust business you may have in mind.

THE
STERLING TRUSTS CORPORATION
President W. S. DINNICK
Managing Director HERBERT WADDINGTON
80 KING ST. EAST · TORONTO
Telephone Main 2717

Mack Brick

THE FINANCIAL POST has been informed that the financing of the Mack Brick Company, which has been promoted by P. S. McGergow, formerly of the National Brick Company of Laprairie, has all been arranged for, and the construction of the plant now under way. It is expected that the company will be producing bricks early next fall.

Nova Scotia Steel & Coal Co.

The sixteenth annual meeting of the Nova Scotia Steel & Coal Co. was held in New Glasgow, N.S. on March 28. The regular quarterly dividend of 2 per cent. was declared on the preferred payable April 14 to stock on record of March 31.

Russel Motor.

Russell Motor securities showed improvement this week when the common sold up to 90, an improvement of 4 points, and the preferred to 121, an improvement of 6 points. There have been no particular developments in the company's affairs and the movement is evidently only another indication of the narrow spirit of the market and the tendency of any effort to buy or sell to affect prices, particularly in the case of securities like Russell, only a small amount of which are in the hands of the public.

Riordon.

Riordon Pulp maintained its advance of last week rather better than Laurentide. Its gain amounted to about seven points, the high being 123. With a last sale on Thursday at 121½, the drop, therefore, has only been 1½ points.

Sawyer-Massey.

After the interest displayed in Sawyer-Massey common last week when there were a few sales between 20 and 24 this stock has again relapsed into a state of quietude. The annual statement is being awaited with considerable interest.

Sherwin-Williams.

The market for Sherwin-Williams common was tested this week to the extent of the sale of one share at 59. This price has been pretty steadily maintained throughout the year, the range being 57 to 59¾.

Standard Chemical.

The securities of the Standard Chemical Company were listed on the Toronto Exchange on Saturday last, but no transactions have taken place to date. Quotations are 17 asked and 15 bid for the common, and 50 offered for the preferred.

Shredded Wheat.

The first sale of Shredded Wheat since the first of the month took place on Thursday at 135. This indicates a decline of 2¾ points from the previous. The company's affairs continue in a very satisfactory manner but the continued high position of the wheat market and the rising tendency is bound to eventually have some effect upon the margin of profits despite the fact that the managers have been very fortunate in their buying.

United Cigar Stores.

United Cigar Stores sales for January of this year, amounted to $101,454 as compared with $68,348 for the corresponding month the previous year, or an increase of 48.47 per cent. For February the sales were $100,695, as compared with $74,868 last year, an increase of 34.50 per cent. The company is constantly adding links to its chain, and expects eventually to have five hundred stores between Halifax and Vancouver. The company is now offering the unsold portion of the 7 per cent. cumulative preferred, with a bonus of 25 per cent. of common stock. The proceeds will be used for establishing new stores. The common is now selling on the New York curb at $1.00 per share. The par value of the preferred is $5.00.

The improvement in the position of Canadian Pacific on the market was continued, with the result that early in the week a high mark of 166½ was touched, which indicates a recovery of 14 points during the past couple of weeks. Later there was some reaction with late sales around 164.

Stock Movements of the Week

This table records securities active on the Stock Exchanges.

Week ending March 29:	Ask.	Bid.	High	Low	Last	Sale	Range 1917 to Mar. 22 High	Range 1917 to Mar. 22 Low
Banks—								
Dominion	...	186	186	185	186	102	188	184½
Commerce	...	207	208	207½	208	18	212½	207
Hamilton	192	190	191	191	191	3	192	190
Hochelaga	145	...	143½	143½	143½	15	145	145
Imperial	197¾	...	197¾	197½	197½	35	200½	196
Merchants	170	...	170	169	170	12	170	167½
Montreal	223	...	222	222	222	51	234	223
Royal	...	213	212	212	213	37	214	211
Standard	...	211	211	211	211	8	215	211
Toronto	190	...	190	190	190	15	213	190
Union	...	138½	139	136	139	14	140	137
Transportation—								
Barcelona	12⅝	12½	12¾	12	12¼	225	17	11⅞
Brazilian Traction	41⅝	41½	42½	42	42	1,837	47⅝	42½
Canada Steamships, com.	39	38⅝	40	39	39	1,184	40¼	29⅝
Do., pref.	84½	84	85	84	84½	165	93⅝	83½
Canadian Pacific	165	164	166½	162½	164	144	163¼	149½
Detroit United	115⅝	115½	117½	115½	115½	2,572	128	113½
Civic Invest. Pr.	82	81⅛	81½	81¼	81¼	450	82⅝	78
Duluth-Superior, com.	51	50	50½	50	50	25	51⅛	43
Illinois Traction, pref.	87	...	87	87	87	40	89	87⅞
Porto Rico, com.	40	39	40	39	39	141	42	35
Quebec Ry., Light, Heat.	25	24½	25¾	25¼	25¾	290	25¼	21
Toronto Ry.	88	85½	89½	87½	88½	146	90½	76
Twin City, com.	93	92	94	92¼	93¼	35	95	93
Telegraph, Light and Power—								
Bell Telephone	147	...	147	146½	146¾	77	150	144
Mackay, com.	87	86	88	87	87	131	90	83½
Do., pref.	65½	65	65½	65	65½	72	68	65
Ottawa Light, Heat	...	86	86	85	85	30	92	85
Shaw. Water & Power	129	125	127½	124	124	170	130½	123½
Industrials—								
F. N. Burt, com.	85	84	85	84	85	104	85	78
Do., pref.	91	90	91	90¼	90½	13	93½	89
Can. Cement, com.	65	64	65	64¼	64½	926	69⅞	56
Do., pref.	93	92	93	93	93	50	95¾	90
Can. Car, com.	30½	30⅝	31¼	27	31	2,310	46½	25¼
Do., pref.	74	73¾	74½	71	74	1,035	89	59
Can. Converters	...	41	41	41	41	10	41½	39
Can. Cottons, com.	53	52	53½	52	52	125	56	51
Do., pref.	...	78	80	80	80	50	82	78
Can. Forgings	...	150	150	150	150	50	205	170
Can. Loco., com.	60	56	57½	55	55	450	58½	52½
Do., pref.	...	89	89	88	89	15	90	84
Can. Gen. Elec., com.	112	110	112	109	112	250	115½	108
Dom. Bridge, com.	135	134	136	134	135	235	170	130
Dom. Canners, com.	21	20	22	23	23	5	26	19
Dom. Iron, Steel, pref.	...	91½	91½	91½	91½	30	95	91
Dom. Steel Corp.	65½	65	68	64⅝	64⅝	6,477	71¼	52¾
Dom. Textile, com.	...	84	84	84	84	76	85	76½
Lyall Cons.	77	75	79	76	76	150	80	64
Laurentide	187	184	188	186	186	15	195	176
A. Macdonald, com.	14	...	15	14	14	260	15½	8
Maple Leaf, com.	112	111¾	115	111¾	112	3,228	115	90
Mon. Cottons, com.	...	55	55	55	55	25	58½	50
Mon. Knitting, pref.	80½	80	80	80	80	54	81	80
Ont. Steel Pro.	...	18	19	18	19	160	34	18
N. S. Steel, com.	100½	99	101	99½	101	417	128	91
Do., pref.	...	110	110	110	110	10	112	110
Ogilvie Flour, com.	...	138	137½	137½	137½	50	142	137
Do., pref.	...	112½	112½	112	112	65	115	111
Pacific-Burt, com.	41	39½	40	40	40	2	40	28
Do., pref.	...	80	81	80½	80½	10	81	80
Penmans, com.	72¾	72	73½	72	73½	47	73	69½
Riordon Pulp, com.	118	116	122	121	121½	355	120	117
Russell Motor, com.	90	88	90	85	90	175	92	70
Do., pref.	122	120	121	115	120	298	117	100
Sher.-Williams, com.	...	59	59	59	59	1	59¾	56
Sh. Wheat, com.	137	134	135	135	135	20	137¾	...
Spanish R. Pulp, com.	17½	16½	17¾	17	17	410	19	13
Do., pref.	54	...	55	53	53	265	59¼	51⅝
Steel Co. of Can., com.	65⅞	65⅝	67⅞	65½	66	6,301	71½	52
Do., pref.	95	94¼	95	94	94	238	100½	93¼
Toronto Paper	83	81	82	82	82	25	89	72
Wayagamack	...	83	83	83	83	45	95	80

REVIEW OF MARKET FOR MINING SHARES

Name.	Capital Authorized	Capital Issued	Week ending March 29 High	Week ending March 29 Low	Sales	Close March 29 Asked	Close March 29 Bid
COBALT STOCKS—							
Adanac	$ 2,500,000	$2,250,000	.27	.25	3,800	.28	...
Bailey	5,000,000	4,250,000	.06½	.06¼	7,500	.06½	.06¼
Beaver Cons.	2,000,000	2,000,000	.41	.39	28,900	.40	.39
Buffalo Mines	1,000,000	1,000,000	...	...	....	1.40	1.00
Cham.-Ferland	2,500,000	2,312,850	.12½	.12¼	2,500	.12¼	.12
Coniagas	4,000,000	4,000,000	3.75	3.75	550	4.25	3.65
Crown Reserve	2,000,000	1,999,957	.35	.34	4,100	.38	.24
Foster	1,000,000	915,588	.04	.04	100	.05	.03
Gifford	250,000	....	.04¼	.03¾	8,500	.04	.03½
Great Northern	1,500,000	1,500,000	.15	.14½	11,200	.14¾	.14
Hargraves	2,500,000	2,500,000	.20½	.19	104,500	.19¾	.19
Hudson Bay	25,000	7,761	...	...	....	45.00	...
Kerr Lake	3,000,000	3,000,000	4.50	4.35	100	4.50	4.30
La Rose	7,500,000	7,493,135	.52	.51	1,000	.55	.50
McKin.-Dar.-Sav.	2,000,000	2,247,692	.51½	.50	7,000	.51	.50
Nipissing	6,000,000	6,000,000	8.15	8.00	620	8.25	8.00
Ophir	685,000	....	.11	.11	9,000	.11½	.11
Peterson Lake	3,000,000	2,401,820	.12½	.11½	21,100	.12	.11½
Right of Way	2,000,000	1,685,500	...	...	....	.05½	.01½
Seneca-Superior	500,000	478,884	...	...	....	.01½	...
Temiskaming	2,500,000	2,500,000	.52	.51	17,750	.51½	.50½
Trethewey	2,000,000	1,000,000	.18	.16½	3,060	.17	.16½
Wettlaufer	1,500,000	1,416,590	.07½	.07	1,400	.08½	.07½
PORCUPINE STOCKS—							
Apex	2,000,000	1,300,009	.09¼	.08¼	20,000	.08⅞	.08⅝
Dome Cons.	2,500,000	1,250,000	.08	.05¼	825	.11	.05
Dome Extension	3,000,000	2,200,000	.26¼	.21½	43,800	.22	.21
Dome Lake	2,000,000	1,227,017	.20	.17	15,180	.19	.18
Dome Mines	5,000,000	4,000,000	18.75	18.50	210	...	18.00
Foley-O'Brien	3,000,000	2,500,000	...	...	....	...	...
Hollinger	3,000,000	3,000,000	5.25	5.20	2,150	5.25	5.20
Jupiter	2,000,000	1,867,786	.31½	.31½	800	...	.31
McIntyre	3,000,000	2,999,995	1.93	1.84	22,290	1.85	1.83
McIntyre Extension	2,500,000	2,000,000	...	...	....	...	...
Porcupine Crown	2,000,000	2,609,000	.64	.63	4,825	.65	.63½
Porcupine Imperial	2,000,000	1,409,200	.03⅝	.02⅝	5,500	.03¾	.03
Vipond	1,500,000	900,000	.46	.43½	13,744	.44½	.44
Preston E. Dome	3,000,000	2,000,000	.05⅛	.05	8,000	.05⅛	.04⅞
Cchumacher	2,000,000	....	.60	.56	5,650	.60	.65
Teck-Hughes	2,000,000	2,000,000	.73	.71	1,725	.71	.68
West Dome Con.	3,000,000	2,000,100	.28¾	.28	39,302	.28	.27¾
MISCELLANEOUS—							
Con. Min. & Smelt.	10,000,000	8,457,500	.32	.21	237	.31½	.30½

UNLISTED STOCKS.

Furnished by A. J. Pattison, Jr., & Co., Torono, March 28, 1917:

Quotations—	Bid.	Ask.
Abitibi Power, com.	67.00	73.00
Do., pref.	89.00	.....
Arena Bonds (Toronto)	.....	95.00
Atlantic Sugar, com.	12.00	15.00
Belding, Paul, pref.	70.00	80.00
Do., bonds	80.00	95.00
Canadian Furniture, pref.	.....	40.00
Canadian Machinery 6's	70.00	80.00
Do., pref.	40.00	.....
Canadian Marconi	1.50	3.00
Canadian Mortgage	85.00	94.00
Canadian Oil, com.	38.00	41.00
Do., pref.	77.00	.....
Canadian Westinghouse	117.00	125.00
Continental Life	20.00	25.00
Crown Life	80.00	.....
Dom. Pwr. & Trans., com.	61.50	65.00
Do., pref.	93.00	98.50
Dominion Mfg., pref.	....	55.00
Dom. Perm. Loan	69.00	73.00
Dunlop Tire, pref.	93.00	97.50
Frontenac Brew., 6% bds.	.....	80.00
Home Bank	64.50	.....
International Milling, pref.	87.00	93.00
Imperial Oil	325.00	.....
Loew's Theatre, com.	82.00	.....
Do., pref.	85.00	92.00
London Loan & Savings	96.00	114.00
McDonald, com.	14.75	15.75
Morrow Screw, 6% bonds	88.00	.....
People's Loan & Savings	85.00	91.00
Prudential Trust	.....	70.00
Ruddy, E. L., pref.	.....	88.00
Stand. Rel. Loan (par $50)	45.00	.....
Steel & Radiation, com.	.....	29.00
Do., pref.	.....	65.00
Sovereign Life	.....	25.00
Trusts & Guarantee	86.00	89.00
Tough Oaks	2.30	2.70
Ford Motor	.....	300.00
Ontario Pulp, bonds	85.00	90.00
Volcano Oil	120.00	.....
Dom. Glass, pref.	82.00	.....
Eastern Car, pref.	70.00	.....
Do., 6% bonds	95.00	.....
Russian Govt. 5½% bonds	27.00	28.00
Anglo-French, 5%	92.00	.....
Belding Paul, com.	16.00	20.00
Carter-Crume, com.	12.00	.....
Carter-Crume, pref.	.....	70.00
Imperial Steel, com.	.....	1.00
Do., pref.	1.75	3.25
McDonald, pref.	82.00	.....
Toronto Paper, 6% bds.	84.00	.....
Chapman Ball Bearings	25.00	45.00
Linderman Steel	4.00	4.50
Universal Steel, com.	.....	41.00
Atlantic Sugar, pref.	43.00	48.00
Wabassa Cotton, com.	28.00	32.00
National Brick bonds	33.00	40.00
Northern Crown Bank	.....	95.00
Black Lake bonds	28.50	.....
Canada Paper, com.	86.00	93.00
Cockshutt Plow Co., pref.	....	68.00
Dominion Explosives	.....	19.00
Dominion Fdry., com.	178.00	182.00
Do., pref.	92.00	95.00
Dominion Sugar, com.	86.00	.....
Can. Tube & Iron	.....	100.00
Maritime Coal & Ry., com.	7.00	12.00
North Amer. pulp	5.50	6.25
Prov. Paper, com.	49.00	53.00
Steel & Radiation, bonds	.....	68.00
Trust & Guarantee, 20% pd.	80.00	88.00
Crown Trust Co.	.....	95.00
Carriage Factories, com.	13.00	15.00
Nova Scotia Steel 6% Deb.	.....	98.00

THE STEEL COMPANY OF CANADA

LIMITED

ANNUAL REPORT

For Year Ended Dec. 31, 1916.

To the Shareholders:

A statement of Assets and Liabilities and Profit and Loss Account as at 31st December, 1916, is herewith respectfully submitted by your Directors.

From this statement it will be seen that the net profits for the year, after deducting charges for repairs, maintenance and improvements and providing for War Tax, for the years 1915 and 1916, were $5,021,381.53. These profits were dealt with in the following manner:—

Interest on Bonds		$ 525,819.00
Deferred Dividends on Preferred Stock for two quarters of 1915	$227,370.50	
Dividends on Preferred Stock for the year 1916	454,741.00	
		682,111.50
Distribution on Ordinary Shares for the year 1916		460,000.00
Reserve for Bond Sinking Fund		165,454.00
Reserve for Depreciation		601,624.65
Transferred to Betterment and Replacement Reserve		953,526.68
Credited to Profit and Loss Account		1,632,855.70
Total		$ 5,021,381.53

The amount now standing to the credit of Profit and Loss is $4,647,497.64.

Having in view the fact that the prices of all materials and supplies at the present time are abnormally high, the matter of our inventories was most carefully considered, and they were taken upon a conservative basis.

During the year our plants were fully occupied, but we, like other companies, were hampered by the shortage of labor, caused by the large number of men that have left the country for overseas service and for various reasons, and the difficulty of getting delivery of our raw materials, supplies, etc., from firms who have also experienced labor shortage, and by reason of the congestion on the railways.

A great deal of thought has been given during the year to after-war conditions, and as we have materially added to our capacity for producing steel, it will be necessary for us to go into new lines in order that we may use the increased output. Just what lines it will be best for us to take up, has not yet been definitely determined, but whatever they are they will involve considerable expenditure for new finishing plants.

Your Directors, therefore, have deemed it wise and prudent to start to accumulate a fund to meet this expenditure, and there has been taken out of the profits and set up on the Balance Sheet, under the caption of "Betterment and Replacement Reserve," the sum of $953,526.68.

Out of the earnings for 1916 your Directors felt warranted in making a distribution on the Ordinary Shares of the Company of four per cent., as set forth in the attached statement.

The Directors again wish to express their appreciation of the efficient manner in which the officers and employees of the Company have performed their duties during the past year.

ROBERT HOBSON, President.

Hamilton, Canada, March 15th, 1917.

CONSOLIDATED BALANCE SHEET, AS AT DEC. 31, 1916

ASSETS

Cost of Works owned and operated by the Company	$24,980,219.04	
Investments in other companies and Company's own Bonds acquired for Sinking Fund	766,877.88	
		$25,747,096.92
Sinking Fund Assets—		
Cash in hands of Trustee		8.83
Current Assets—		
Inventories of Raw Materials and Finished Products	$ 5,848,822.05	
Accounts Receivable	3,551,158.75	
Bills Receivable	95,843.15	
Cash on hand and in banks	1,553,658.78	
	$11,049,482.73	
War Bonds, Loans and other Securities	1,336,009.30	
		$12,385,492.03
Stock of the Company purchased and held in Trust for Employees		20,306.73
Deferred Charges to Operations—		
Insurance and other Expenses paid in advance		26,022.25
		$38,178,921.76

LIABILITIES

Capital Stock, Authorized—		
100,000 shares at $100 each, Preferred	$10,000,000.00	
150,000 shares at $100 each, Ordinary	15,000,000.00	
	$25,000,000.00	
Issued—		
64,963 shares at $100 each, Preferred	$ 6,496,300.00	
115,000 shares at $100 each, Ordinary	11,500,000.00	
		$17,996,300.00
Bonds, 6 Per Cent. First Mortgage and Collateral Trust Bonds—		
Authorized	$10,000,000.00	
Issued	8,850,000.00	
Less held in escrow for redemption of Montreal Rolling Mills Co. Bonds	500,000.00	
	$ 8,350,000.00	
Less redeemed through Sinking Fund	172,700.00	
	$ 8,177,300.00	
Bonds of Montreal Rolling Mills Company	500,000.00	
		8,677,300.00
Convertible Promissory Notes—		
Due July 1st, 1918, 1919, 1920		845,000.00
Current Liabilities—		
Accounts Payable, including provision for War Tax for 1916	$ 2,779,034.20	
Bills Payable	4,000.00	
Preferred Dividend No. 22, payable Feb. 1st, 1917	113,685.25	
		2,896,719.45
Reserves—		
Furnace Relining and Rebuilding Reserve	189,794.69	
Reserve for Accidents to Employees	25,000.00	
Contingent Reserve	193,829.30	
Betterment and Replacement Reserve	953,526.68	
	$ 1,362,150.67	
Bond Sinking Fund Reserve	253,954.00	
Depreciation Account	1,500,000.00	
		3,116,104.67
Surplus—Balance as per Profit and Loss Account		4,647,497.64
		$38,178,921.76

Montreal, March 14, 1917.

We have examined and audited the above Balance Sheet, and certify that, in our opinion, it is properly drawn up so as to exhibit a true and correct view of the position of The Steel Company of Canada, Limited, as at December 31st, 1916.

RIDDELL, STEAD, GRAHAM & HUTCHISON, Chartered Accountants.

STATEMENT OF PROFIT AND LOSS

Profits for the year ended December 31st, 1916, after deducting charges for Repairs, Maintenance and Improvements, and providing for War Tax, 1915-1916		$5,021,381.53
Less Reserve for Bond Sinking Fund	$165,454.00	
Reserve for Depreciation	601,624.65	
		767,078.65
		$4,254,312.88
Less Interest on Bonds—		
The Steel Co. of Canada, Limited	$495,819.00	
The Montreal Rolling Mills Co.	30,000.00	
		525,819.00
		$3,728,493.88
Less Dividends on Preferred Shares—		
Dividend No. 19, for the quarters ended		
March 31st, 1915, 1¾%	$113,685.25	
June 30th, 1915, 1¾%	113,685.25	
	$227,370.50	
March 31st, 1916, 1¾%	113,685.25	
Dividend No. 20, for Quarter ended June 30th, 1916, 1¾%	113,685.25	
Dividend No. 21, for Quarter ended Sept. 30th, 1916, 1¾%	113,685.25	
Dividend No. 22, for Quarter ended Dec. 31st, 1916, 1¾%	113,685.25	
	$682,111.50	
Distribution on Ordinary Shares for the year 1916	460,000.00	
		1,142,111.50
		$2,586,382.38
Transferred to Betterment and Replacement Reserve		953,526.68
		$1,632,855.70
Add balance brought forward Dec. 31st, 1915		3,014,641.94
Balance, Profit and Loss, December 31st, 1916		$4,647,497.64

MANY SHIPS RELEASED.

Wilson's Announcement Will Mean 100,000 Tons Freed.

President Wilson's decision to arm American merchant vessels will result in the return to trade of approxi-mately 100,000 gross tons of shipping of American registry that has been tied up in the port of New York be-cause of the dangers of navigation arising from Germany's unrestricted submarine warfare. How soon the ships that have been held there for armament will be ready to sail it is impossible to say, as the operation of fixing guns on them is to be car-ried on with the greatest possible secrecy. Representatives of the vari-ous lines operating American steam-ships in the European trade refu to discuss their plans or to comment upon the situation beyond expressing approval of the course which the Government has adopted.

BIG DEMAND FOR CHEAP HOUSES IN MONTREAL

Contractor Explains How the Speculator Has Stopped Building.

MUNITION WORKERS' INFLUX

Solution to Be Found in Erection of Workingmen's Homes Outside the City and Improvement of Transportation.

An interesting review of the building situation in Montreal has been contributed to the Star by John Quinlan, ex-president of the Builders' Exchange. Mr. Quinlan states that the outstanding feature is the big demand at the present time for the cheaper grade of house and apartments, renting at less than $30. He owns several of these houses himself and says he could easily rent fifty more if he had them.

"Of course," says Mr. Quinlan, "we know that a number of workmen have been brought into the city from the country to work in the munitions plants, but few realized the extent of this increase in our population until it was learned that the Catholic School Commissioners propose to erect nine new schools on the island of Montreal in the near future. With the present high price of labor and materials, the school commissioners would not put up these schools unless they were absolutely necessary. The pupils for these schools are chiefly the children of men employed in the munition plants.

"In the past the cheaper grade of dwellings have been put up largely by speculators. They borrowed the necessary money at low rates. The interest charges were so low that, after paying them out of the rental, the speculators had a fair margin of profit for themselves. But, money cannot be borrowed at less than seven per cent. to-day; and, after one has paid interest charges at such a rate, there is little left out of the money derived in rent. That leaves, as the only men likely to build, men who want their own houses and are willing to pay for them.

Build in Outlying Sections.

"There is one big solution for the present high cost of putting up dwellings for Montreal workmen and that is to build farther out. Combined with high interest charges, there are the building laws of the city and the price of real estate on the island as big factors in militating against the building of dwellings in Montreal. We should have an extension of the tram car lines across the river where land can be bought from one-half to a quarter as cheap as we have to pay for lots in the city.

"In Montreal, we have to do the same as Cleveland, Detroit, Chicago, and New York. We have got to erect our workingmen's houses five, ten, fifteen and even twenty miles out. It is only in that way that we shall be able to put up houses which will not cost too much in rent and yet will give an attractive yield on the money invested. It would take but a few minutes longer for the men to get to the factories and, with a cheap tram car service, they would find their living expenses materially reduced.

A Question of Labor.

"Building this summer is going to be largely a matter of getting labor, chiefly unskilled labor. The building season has not started yet, but already there is a shortage of men. What we are going to do, when the season comes in full swing, I do not know. I feel that much of the building will have to be put off until after the war.

"I have just returned from the United States where I found the warm weather well advanced and contractors busy. I was down there to see whether the embargo could be raised. This embargo is now lying up large shipments of brick, which contractors in Montreal must have, in the near future. The situation is getting pretty serious for us and if we do not get our materials soon our work will be delayed."

Complaint is being made that, owing to the shortage of rolling stock on the Grand Trunk Pacific, halibut boats have been taking their cargoes to Seattle instead of discharging them at Prince Rupert.

OBJECT TO FREIGHT INCREASE.

Manufacturers' Association and Boards of Trade Against New Schedule.

Representatives of the Canadian Manufacturers' Association, the Toronto Board of Trade and the boards of trade at Belleville, Brantford, Hamilton, Kitchener and Montreal, and the Fruit Growers' Association of Ontario, have made the following objections to the new tariff of the Canadian railways, providing for a general increase in class of commodity freight rate by water and rail amounting to about 20 per cent.

(1) The changes proposed by the railways are drastic, and seem to be quite unfitted to the commercial conditions obtaining in Canada, both east and west of Port Arthur. They appear to have been framed largely on conditions existing in the United States, which, owing to the difference in volume of traffic and greater population, are dissimilar.

(2) No effort has been made on the part of the railways to ascertain from shippers and manufacturers what effect the proposed rules and conditions of carriage would have on the business of eastern and western Canada; in fact they have stated to the board that they are unable to say, with any degree of accuracy, what the results would be.

(3) While shippers are unable to determine, generally, the effect the changes will have on their business they are fully convinced that the adoption of many of the proposed rules would be disastrous to Canadian trade, which has been built up under the present conditions of carriage.

(4) The present is not an opportune time to consider such sweeping changes in transportation conditions. Under the present stress of business shippers and manufacturers should not be called upon to consider the proposition in the manner and form in which it is submitted, with the acknowledged lack of information.

(5) It is impossible to tell what the commercial conditions will be after the war, and it is therefore respectfully requested that the board direct that the principles of the rules and conditions of carriage of Canadian freight classification No. 16 be continued.

UNITED STATES STEEL

Amount Available on Common Amounted to 48.46%.

The report of the United States Steel Corporation, for the year ended December 31, 1916, shows a surplus applicable to dividends on the common stock of 48.46% on that issue. In the seven preceding years, 1909 to 1915, inclusive, the combined surplus applicable to the common was 54.8%. The Steel Corporation in one year, 1916, earned almost as much money for its common stock as it did in the entire seven years preceding. If forecasts of conservative steel manufacturers prove correct, the company in the current year will earn as much as it did in 1916, making a surplus available for the common stock in two years equal to 96.90% on that issue. From time of organization, April 1, 1901, to December 31, 1915, a period of fourteen years and nine months, the Corporation showed a combined surplus available for the common of 121.40%.

From the foregoing it will be observed that if 1917 bears out the forecasts of manufacturers, the surplus available for dividends on the common for the two years 1916-1917 will fall only 24.5% short of the combined surplus available for the common in the preceding fourteen and nine months.

The following table gives the net earnings of the United States Steel Corporation, surplus for dividends, percentage of surplus on the preferred stock, and balance available for the common after preferred dividend, from time of organization to December 31, 1916:—

Year	Net Earnings	Surplus for Dividends	% on Pfd. Stock	% Bal. Av. for Com.
1916	..$233,574,177	$271,531,730	75.4	48.5
1915	.. 130,396,011	75,833,832	20.8	9.9
1914	.. 71,663,614	23,496,768	6.5	....
1913	.. 137,181,345	81,216,986	22.5	11.0
1912	.. 108,174,672	54,240,049	15.0	5.7
1911	.. 104,305,464	55,300,296	15.4	5.9
1910	.. 141,054,754	87,407,187	24.3	12.2
1909	.. 131,491,413	79,073,695	21.0	10.6
1908	.. 91,847,710	45,728,713	12.7	4.0
1907	.. 160,964,673	104,565,564	20.0	15.6
1906	.. 156,624,273	98,128,589	27.2	14.3
1905	.. 119,787,658	68,585,493	19.0	8.5
1904	.. 73,176,522	30,267,529	8.4	1.0
1903	.. 109,171,152	55,416,654	15.4	4.9
1902	.. 133,308,764	96,306,525	25.0	10.7
1901*	.. 84,787,596	60,600,108	16.8	6.6

*Nine months.

Largely as a result of a great munition activity there is a house famine in Ingersoll at the present time. THE POST is advised that fully 40 families are unable to secure accommodation in the town. Many of these are living in Woodstock, the workers making the daily trip on the trolley. Still others are residing in London, boarding in Ingersoll, but getting home for the week-end. It seems that this great industrial activity has made a scarcity of houses general throughout Western Ontario, and rents have advanced considerably in consequence.

APRIL DIVIDENDS TO TOTAL SUM OF $16,000,000

Continued from page 1.

Guar. Co., of N. America..	2½	16,715
Imperial Life	2½	25,000
		$ 84,715
Banks.	%	
B.N.A.	1½	$ 72,999
Dominion	3	180,000
Molsons	2¾	110,123
Nova Scotia	3½	227,500
Provincial	1¾	17,500
		$ 608,122
Trust and Loan.	%	
Canada Landed	2¼	$ 54,225
Canada Perm. Mtge.	2½	150,000
Can. North. Prarie Lands.	5s	75,000
Central Canada	2½	51,250
East. Can. Sav. & Loans..	2	10,000
Empire Loan	2	13,174
Home Investment	2¼	22,500
Huron & Erie	3	135,000
London & Canadian	2	25,000
London Loan & Savings ...	1½	15,600
Montreal City & Dis. Bank.	4	80,000
Ont. Loan & Debenture ..	2¼	57,375
Royal Loan & Savings	2	11,724
Toronto Mortgage	2	14,490
Toronto Savings	2½	25,000
Crown Trust	1½	7,500
Eastern Trust	2	20,000
Toronto General Trusts ...	2½	37,500
National Trust	2½	37,500
Union Trust	2½	25,000
		$ 867,238
Utilities.	%	
Consumers' Gas	2½	$ 122,050
Mississippi R. Pr., pref...	1½	(Not paid)
Ottawa Light, Heat	1½	52,252
Penn. Water & Pr.	1	84,950
Shawinigan Water & Pr...	1¾	238,218
Can. Pac. Rly, com.	2½	6,500,000
Can. Pacific, pref.	1	806,819
Minn., St. Paul, Ry., com..	1¾	441,119
Minn., St. Paul Ry., pref..	1¾	220,559
Brazilian Traction, pref. ..	1½	150,000
Demerara Electric	1	4,250
Duluth-Sup. Trac., pref....	1	15,000
Halifax Electric	2	28,000
Illinois Traction, pfd.	1½	107,032
Ottawa Traction	1	51,672
Ottawa Electric	3	56,307
Porto Rico Railways, pfd..	1¾	17,500
Porto Rico Railways, com..	1	......
(Last paid July, 1914)		
Quebec Rly. & Light	1	......
(Last paid Jan., 1912)		
Toronto Railway	2	240,000
Toronto Electric Light ...	2	80,000
Trinidad Electric	1¼	......
(Last paid July, 1915)		
Twin City Rapid, pref.	1¾	52,500
Twin City Rapid, com.	1½	330,000
West India Electric	1¼	10,000
		$ 9,608,228
	%	
Bell Telephone	2	$ 360,000
Dominion Telegraph	1½	15,000
Mackay Co.'s, pfd.	1	500,000
Mackay Co.'s, com.	1½	620,708
Maritime Telegraph, pfd...	1½	15,000
Maritime Telegraph, com...	1½	12,750
Montreal Telegraph	2	40,000
Porto Rico Teleph., com....	2s	12,000
Porto Rico Teleph., pfd. ..	4s	12,000
		$11,195,684
Mining.	%	
Consolidated Mining	2½	$ 210,687
Porcupine Crown	3	60,000
Hollinger	...	90,000
La Rose	1	74,931
Nipissing	5	300,000
		$ 535,618

SHIPBUILDING PLANT IS GOING TO NEWCASTLE.

Continued from page 1.

Country were associated with the syndicate which is financing the Shipbuilding Corporation.

Will Involve Millions.

The activities of this syndicate, which has the backing of a powerful European Government, will be of a very comprehensive character. It will purchase supplies of almost all kinds, and many lines of machinery and manufactured goods, and the transactions, which will extend over a term of years, will involve millions of dollars. Agricultural machinery will be purchased in colossal quantities, in preparation for a great scheme of agricultural development which the country in question has in contemplation. A great export business will be developed in Canada as a result of the operations of this powerful syndicate.

This organization has already financed a big steel company on the Pacific Coast, known as the Hewett Steel Corporation, and has acquired the site for another big steel plant on Puget Sound.

The plans of the syndicate involve many other enterprises, the details of which have not yet been worked out, but which will mature within a very short time. Just at present the chief concern of the people who control it is to see that the International Shipbuilding Corporation gets started as quickly as possible, in order that the necessary tonnage to carry the shipments from Canada may be available.

According to figures received from 33,000 collected correspondents throughout the United States, there are in use by the farmers of that country about 34,000 agricultural tractors.

LISTING EVERY PROPERTY.

Government Taking Steps to Make Inventory of Holdings.

An inventory is to be made in Canada of all enemy property held in the Dominion, and of all Canadian property held in enemy countries. Sir Thomas White has been appointed Public Custodian of Enemy Property in Canada, and circular letters are being sent by him to banks, financial institutions, etc., asking for statements under the following four heads:

(1) Property, real or personal, in Canadian territory belonging to enemy subjects.

(2) Debts, including bank deposits and bank balances, due to or held on behalf of enemy residents, resident or carrying on business in enemy territory, or due to or held on behalf of enemy subjects resident in Canada.

(3) Property, real or personal, in enemy territory belonging to British subjects resident or carrying on business in Canada.

(4) Claims of British subjects resident or carrying on business in Canada against enemy Governments.

The law requires the return of such information. Forms will be provided whereon precise statements may be made. The information will be transmitted to the Public Trustee in England.

It is already known that there are balances in Canadian banks credited to men who had no time to withdraw them when the call came from the Fatherland. There are also dividends due to German, Austrian and other stockholders from Canadian companies, etc., together with rents from properties. These and other accounts will be placed to the credit of the Finance Minister until the balancing time comes.

Among companies with German capital there is a coal company of British Columbia with half a million invested in its assets. There are three apartment houses in Montreal, Winnipeg and Edmonton with $10,000,000 German capital invested in them, and heavy sums are being collected in rents. The Public Trustee desires return of all such things made to him.

CLOTHING MADE IN ENGLAND.

Tendency to Have Boys' Apparel Made Up on "Other Side."

A development in the clothing industry, which has become more marked as a result of war conditions, is of interest. Some of the large manufacturers of boys' clothing are now sending the patterns for their suits to English manufacturers. The cloth from which the suits are to be made, is, on instructions from Canada, forwarded from the English cloth makers to English clothing manufacturers, and there made up for the Canadian trade according to the pattern sent from here.

This has been going on to some extent for a number of years, the idea being that a saving is thus effected because of the cheaper English labor, but since war conditions have made labor so exceedingly hard to get in this country the orders to be made up in England have been increased in size—this in face of the fact that labor must, of course, be very scarce over there.

It is in boys' clothing that this situation is noted. Men's clothing is almost entirely made up in Canada.

WORLD'S FOREIGN TRADE.

An Estimate of $45,000,000,000 For Year 1916.

Foreign or international trade of the world is estimated by National City Bank to have totaled $45,000,000,000 in 1916, exclusive of government imports of war supplies, amounting to an additional $2,000,000,000. The United States had a grand total of $7,873,000,000 comparing with $4,277,000,000 in 1913. Great Britain's foreign trade amounted to $7,080,000,000, against $5,764,000,000 in 1913, the last year of peace. If imports by the British Government itself be added to private trade of 1916, the aggregate was over $8,000,000,000, maintaining it in first place by a good margin. Direct purchases by the British Government were of no moment in 1913

AMERICANS COMING.

U.S. Railroad Admits That Canada is Attracting Settlers.

President Hannaford, of the Northern Pacific, St. Paul, Minn., was asked recently what he thought of the prospects of American emigration to Canada and replied: "Canada's future appears so brilliant that we may lose a good many more competent farmers and others from sections where farm land sells for $100 or more per acre.

We Will Care for Your Securities

We relieve you of all care of collecting interest, renewing mortgages, clipping and cashing coupons on due dates, and all other matters in connection with your holdings, which require systematic attention. Remittances and statements rendered regularly.

Correspondence or Interview Invited.

THE TORONTO GENERAL TRUSTS CORPORATION

FEATHERSTON OSLER, K.C., D.C.L., President.
Hamilton Cassels, K.C., LL.D., Vice-Pres.
Sir John M. Gibson, K.C.M.G., LL.D., Vice-Pres.
A. D. Langmuir, General Manager. W. G. Watson, Asst. General Manager.
Toronto Ottawa Winnipeg Saskatoon Vancouver

IN ALL FAIRNESS to your family and friends, you should make immediate provision for the proper care and management of your estate:

1. Make your will.
2. Name this Company Executor.

We will gladly answer your enquiries.

THE UNION TRUST CO., Limited
Head Office: Toronto
HENRY F. GOODERHAM, President J. M. McWHINNEY, General Manager

DIVIDENDS DECLARED

The Bank of Nova Scotia

DIVIDEND NO. 189.

NOTICE is hereby given that a Dividend at the rate of Fourteen per cent. per annum on the paid-up Capital Stock of this Bank has been declared for the quarter ending March 31st, and that the same will be payable on and after Monday, the 2nd day of April next, at any of the offices of the Bank.

The Stock Transfer Book will be closed from the 17th to the 31st proximo, inclusive.

By order of the Board,
H. A. RICHARDSON,
General Manager.
Halifax, N.S., February 16th, 1917.

Illinois Traction Company

NOTICE OF DIVIDEND NO. 49.

THE regular dividend of one and one-half per cent. (1½%) on the preferred stock of the Illinois Traction Company will be paid April 1st, 1917, for the quarter ending March 31st, 1917, to shareholders of record March 15th, 1917.

By order of the Board,
GEO. M. MATTIS,
Campaign, Ill. Treasurer.

The Porto Rico Railways Company, Limited

NOTICE is hereby given that a quarterly dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, payable on the 2nd day of April, 1917, to Shareholders of record at the close of business on the 22nd day of March, 1917.

By order,
FRED C. CLARKE,
Secretary.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND.

A DIVIDEND of one and one-half per cent. (1½%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 31st March, 1917, payable April 2nd, 1917, to shareholders of record March 15th, 1917.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.
Montreal, 27th February, 1917.

Montreal Tramways Company

INTEREST ON DEBENTURE STOCK.

INTEREST for the half-year at the rate of five (5) per centum per annum will be paid on the first day of April, to the registered holders of the Debenture Stock of the Montreal Tramways Company.

No transfer of the Debenture Stock of the Company will be registered during the fourteen days immediately preceding the first day of April, 1917, and the Transferees of all Debenture Stock of the said Company, which may be transferred on or after the 1st April, 1917, will be entitled to receive the interest accruing thereon from said date only.

PATRICK DUBEE,
Secretary-Treasurer.
March 8th, 1917.

ANNUAL MEETING.

McKinley-Darragh-Savage Mines of Cobalt, Limited

NOTICE is hereby given that the Annual General Meeting of the McKinley-Darragh-Savage Mines of Cobalt, Limited, will be held at Room G, King Edward Hotel, King street east, Toronto, Ontario, on Wednesday, April 25th, 1917, at the hour of eleven o'clock in the forenoon, to receive and consider the statement of accounts, and balance sheet of the Company; to receive the report of the directors; to elect directors, and to transact the ordinary business of the Company.

McKINLEY-DARRAGH-SAVAGE MINES OF COBALT, LIMITED,
J. H. SPENCE, Secretary.
Dated at Toronto, Ontario, Canada, March 20th, 1917.

Provincial Paper Mills Company, Limited

NOTICE is hereby given that dividends of one and three-quarters (1¾%) per cent. on Preferred Stock, and one (1%) per cent. on Common Stock of this Company, have been declared for the current quarter, both payable April 2nd, 1917, to shareholders of record at the close of business, March 15th, 1917.

By Order of the Board,
S. F. DUNCAN,
Secretary-Treasurer.
Dated, Toronto, March 5th, 1917.

Nova Scotia Steel and Coal Company, Limited

DIVIDEND NOTICE.

A DIVIDEND OF TWO PER CENT. ON the Preferred Shares of the Company, for the quarter ending March 31st, 1917, has been declared, payable on April 14th, 1917, to shareholders of record of March 31st, 1917.

By order of the Directors,
THOMAS GREEN,
Cashier.
New Glasgow, Nova Scotia,
March 22, 1917.

Canada Cement Company, Limited

Common Shareholders
DIVIDEND No. 4

NOTICE IS HEREBY GIVEN THAT a dividend of 1½% for the three months ending March 31st, 1917, being at the rate of 6% per annum on the paid-up Ordinary Stock of this Company, has been declared and that the same will be paid on the 16th day of April next, to Ordinary Shareholders of record at the close of Business March 31st, 1917.

The Transfer Books of the Company will be closed from April 1st to 10th, both days inclusive.

By order of the Board of Directors,
H. L. DOBLE,
Secretary.

Canadian Cottons, LIMITED

NOTICE is hereby given that a Quarterly Dividend of One and a Half per cent. (1½%) has been declared on the Preferred Shares of this Company, payable the 4th day of April, 1917, to Shareholders of record the 27th March.

Also, that a Quarterly Dividend of One per cent. (1%) has been declared on the Common Shares of this Company, payable the 4th day of April, 1917, to Shareholders of record the 27th March.

Transfer books will be closed from 28th March to 3rd April, both days inclusive.

By order of the Board,
A. BRUCE,
Secretary-Treasurer.
Montreal, March 20th, 1917.

The Canadian Crocker-Wheeler Company, Limited

DIVIDEND NOTICE.

THE DIRECTORS OF THE CANADIAN Crocker-Wheeler Co., Limited, have declared a One and Three-Quarters Per Cent. (1¾%) dividend on the Common Stock of the Company for the three months ending March 31st, 1917, payable April 5th, 1917, to shareholders of record, March 31st, 1917.

By order of the Board,
L. R. GRIMSHAW,
Secretary-Treasurer.
St. Catharines, March 23rd, 1917.

Smart-Woods, Limited

DIVIDEND NOTICE

A DIVIDEND of One and Three-quarters per cent. (1¾%) on the Preferred Stock of SMART-WOODS, LIMITED, has been declared for the quarter ending March 31st, 1917, payable April 2nd, 1917, to Shareholders of record, March 29th, 1917.

By order of the Board,
JOHN T. F. KEENE,
Secretary-Treasurer.
Montreal, March 20th, 1917.

CANADIAN COAL PRODUCTS ENGINEERING, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 22rd day of February, 1917, incorporating Archibald James Reid, barrister; George Norman Limpricht, draughtsman; William Bowler, Charles Edward Buckley and Oliver David Cadotte, secretaries; Frederick Charles Allen, solicitor's clerk, and Harry Reeve Burrows, clerk, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To purchase, lease or otherwise acquire coal fields and coal lands, ore bearing properties, mineral lands, mining locations, mining and surface rights, timber limits, wood lands and timber lands, oil fields and privileges, natural gas, lands and properties, water lots, water powers and privileges and other rights, privileges, easements and licenses; (b) To lay out, construct, purchase, lease or otherwise acquire, maintain, operate, and manage (1) Mines of coal, lignite, iron or other minerals whatsoever, bituminous or oil shales, oil wells and wells of natural gas or any products or by-products of any of them, mining structures, plant, mills, pipe lines, buildings, testing plants, laboratories, machinery and appliances of every description; (2) Power houses, structures, plant and equipment for the development, generation, transmission or utilization of water, steam, gas, electric or other power and structures and plant for and form of heating and lighting; (3) Steamships, any vessels, piers, docks, drydocks, wharves, slips, basins and all incidental structures and appliances; (4) Bridges, roads, tramways on lands owned or controlled by the company, aerial carriers, trails and ways of every description, yards and tracks for the storage or handling of any of the company's products or for the delivery thereof to adjacent railways; and (5) Offices, stores, shops, warehouses, boarding houses, dwellings, workmen's houses, restaurants and buildings of every description; (c) To manufacture, purchase, sell and deal in any manufactures, products or by-products of any and every description, of any of the mines or minerals, coal, lignite, shales, oils or gases, above referred to, and, without restricting the generality of the foregoing, to construct, acquire, sell and deal in coal products or by-products, furnaces for the manufacture of metallurgical coke, destructive distillation plants, by-products gas and power plants, and any other form of furnace, plant or machinery, commodities, merchandise, or manufacture which may be conveniently handled in connection therewith, or are germane to any of the objects herein specified; (d) To apply for, purchase, or otherwise acquire any patents, exclusive rights, licenses, concessions, privileges, or the like, conferring any exclusive or non-exclusive or limited right to use any secret or other information as to any invention which may seem capable of being used for the purpose of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired; (e) To guarantee any indebtedness, whether bonded or otherwise, of any company with which the company may have business relations, which is authorized to conduct any business within or similar to any of the powers of the company; (f) To issue and allot, as fully paid-up, shares of the company hereby incorporated in payment or part payment for any property, movable or immovable, property or patent rights or interests, lease, business, franchise, undertaking, powers, privileges, license, concession, stock, bonds and debentures, or any other assets or things whatsoever which the company may lawfully acquire by virtue of the powers hereby granted, or to pay for same or any part thereof in bonds, debentures or other securities of this company, and, with the approval of the shareholders, for services rendered to the company; (g) To acquire the stock, securities or undertaking of any other company having for one of its objects the exercise of any of the powers of the company, or to transfer its undertaking or assets to, or to amalgamate with any such company; (h) To enter into partnership or into any arrangement for sharing profits or union of interests, co-operation, joint adventure, reciprocal concessions or otherwise, or to amalgamate with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which this company is authorized to engage in or carry on, and to lend money to, and act as engineers or contractors for or as employer, agent or manager of any such person or company, and to carry on the business of and to guarantee the contracts of or to otherwise assist any such person or company or any customers, and to guarantee the bonds, debentures or other securities, issued or to be issued, and either conditionally or upon any condition, of any such company, and to take, hold or otherwise acquire shares and securities of any such company, notwithstanding the provisions of section 44 of the said Act, and to sell, hold or re-issue, with or without guarantee, or otherwise deal with the same; (i) To distribute among the shareholders of the company, in kind, any property of the company whatsoever, and in particular any shares, bonds, debentures or other securities belonging to the company or which the company may have power to dispose of; (j) To acquire by purchase or otherwise, hold, sell and deal in the business, assets, good-will and securities of any other company having for one of its objects the exercise of any of the powers of the company or carrying on any business capable of being conducted so as to benefit the company, and to promote or assist in promoting any such other company or any subsidiary company, and to pay out of the funds of the company the costs and expenses of such promotion or assistance; (k) To adopt such means of making known the products of the company as may seem expedient, and in particular by making demonstrations or exhibits of the company's enterprises or any parts thereof, or advertising in the press, by circulars, by the publication of books and periodicals, and granting of awards and donations; (l) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account, or otherwise deal with all or any part of the property, rights and interests of the company; (m) To do all or any of the above things as principals, agents, contractors, engineers or otherwise, and either alone or in conjunction with others to do all such other things as are incidental or conducive to the attainment of the above objects. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Canadian Coal Products Engineering, Limited," with a capital stock of one million two hundred and fifty thousand dollars, divided into 12,500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 28th day of February, 1917.

THOMAS MULVEY,
Under-Secretary of State.

MONEY, BANKING AND EXCHANGE

Bank Clearings for the Week Showed a Gain of 34.6 per cent.—In the West 61.5 per cent., and in the East 25.4 per cent.

Returns of bank clearings made officially to the FINANCIAL POST for the week ending Thursday last again showed substantial increases, the gain for the Dominion being 34.6 per cent., which compares favorably with the gain for the previous week of 23.7 per cent. The cities in the West showed a gain of 61.5 per cent. and in the East, 25.4 per cent. In the West the cities to show the largest gains were Saskatoon, 89.1; Medicine Hat, 79.6; Lethbridge, 76.5; Regina, 68.7; Winnipeg, 66.5, and Calgary, 65.7 per cent. In the East Sherbrooke, 70.4; Quebec, 43.6; Toronto, 32.1; Brantford, 25.8, and Halifax, 23.3 per cent. For the year to date the gain was 23.4 per cent. Following are comparative figures:

WEEKLY BANK CLEARINGS.

In comparison with same week last year.

Eastern Cities.

	March 29, 1917	Change	%
Montreal	$ 67,001,825	+$ 11,527,628	20.8
Toronto	49,102,167	+ 11,939,494	32.1
Ottawa	4,319,258	+ 662,583	18.1
Hamilton	3,965,061	+ 681,057	20.7
Quebec	3,667,333	+ 1,111,725	43.6
Halifax	1,918,199	+ 361,415	23.2
London	1,812,655	+ 112,698	6.7
*St. John	......	......	....
Brantford ...	667,713	+ 137,065	25.8
Peterboro ...	468,790	+ 35,187	8.1
Sherbrooke ..	891,835	+ 368,202	70.4
Total, East...	$133,814,826	+$ 26,937,054	25.4
Kitchener	494,610		

Western Cities.

	March 29, 1917	Change	%
Winnipeg ...	$ 39,552,308	+$ 15,775,567	66.5
Vancouver ...	6,241,856	+ 1,763,193	39.4
Calgary	5,463,782	+ 2,163,989	65.7
*Edmonton ..	......	......	....
Victoria	1,420,490	+ 374,633	35.8
Regina	2,612,847	+ 1,064,319	68.7
Saskatoon ...	1,640,484	+ 773,138	89.1
Moose Jaw ..	1,101,300	+ 391,190	55.1
F. William ..	398,510	+ 47,162	13.4
Brandon	441,035	+ 4,778	1.1
Lethbridge ..	698,161	+ 302,170	76.5
N. Westm'ster	235,521	+ 57,489	32.2
Medicine Hat	528,946	+ 234,229	79.6
Total, West..	$ 60,335,180	+$ 22,951,857	61.5
Grand total..	$194,150,016	+$ 49,888,911	34.6
Yr. to date.	$2,677,999,286	+$508,002,231	23.4

*Returns not received at time of going to press.

U.S. BANK CLEARINGS.

Bank clearings in the United States for the week ending March 22 aggregate $5,382,114,000, against $5,387,197,000 last week and $4,710,612,000 in this week last year, an increase of 14.2 per cent.. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:

(000's omitted)

	March 22	I. or D.	March 15
New York	$3,123,411	I 5.3	$3,108,924
Chicago	459,897	I 26.5	483,200
Philadelphia ...	337,712	I 50.9	306,278
Boston	216,105	I 2.8	212,081
St. Louis	123,239	I 34.7	137,031
Kansas City ...	120,314	I 45.2	127,162
San Francisco ..	82,714	I 45.3	80,154
Pittsburgh	78,281	I 22.5	76,196
Cleveland	57,476	I 65.2	59,830
Detroit	56,135	I 45.2	49,940
Baltimore	40,396	I 9.7	38,919
Cincinnati	37,931	I 11.6	36,941
Minneapolis	24,886	I 8.2	29,005
New Orleans ...	33,262	I 36.7	31,969
Los Angeles ...	32,875	I 38.8	30,214
Omaha	21,078	I 30.2	37,306
Milwaukee	24,724	I 39.7	25,644
Atlanta	23,446	I 45.9	24,340
Louisville	20,454	I 17.2	20,468
Richmond	22,941	I 43.3	21,128
Buffalo	16,110	I 30.6	15,975
Seattle	22,496	I 36.3	19,496
St. Paul	14,197	D 9.3	15,162

MONEY.

Money is reported to be very plentiful just now in London, with call money lower at from 3 per cent. to 4 per cent. There was some talk in the forepart of the week that the Bank of England rate might be reduced but this move did not materialize. Meanwhile the feature of the day has been the resumption, for the first time since the Victory Loan was floated, of the issue of treasury bills. A new departure in this connection has been the sale of the bills by tender. Fifty million pounds of these bills were sold in this way yesterday at a price yielding considerably under 5 per cent. This is significant when it is recalled that previously treasury bills brought from 5½ per cent. to 6 per cent.

In New York the money situation is unchanged from last week. The prospect of war has so far had no effect on rates nor will the actual declaration of war likely exert any pronounced upward pressure.

EXCHANGE.

The big feature of the week has been the complete cessation of quotations on Teutonic exchange. This began on Thursday and is regarded as an indication that war is inevitable.

Demand sterling has been steady all week at 4.75 9-16, with cables quoted unchanged at $4.76 7-16.

Francs have also continued unchanged, with demand at 5.84 and cables at 5.83½.

The same is true of roubles, which for once have remained steady at 28.40 and 28.48 for demand and cables respectively.

New York funds have been steady all week around ½ premium. The payment by American investors of the 10 per cent. allotment on war loan purchases was readily provided for without occasioning any break in quotations.

ROYAL.

F. J. Casey, teller at the Stratford branch of the Royal Bank of Canada, has been transferred to the Hamilton branch to assume position in the bank there. R. C. Cameron, of Beeton, succeeds Mr. Casey at Stratford.

MONTREAL.

The Bank of Montreal announces the opening of a branch at Graham, Ont., the junction point where the branch line of the Transcontinental Railway leaves the main line to run down into Fort William and Port Arthur.

The Bank of Montreal has opened a branch at Vancouver, which will be known as the Hastings street branch.

STERLING.

The "Teller," the house organ of the Sterling Bank, and edited by the members of the staff, gives the following staff changes in the March issue:

S. Sutton, manager at the Auburn branch of the Sterling Bank, has been appointed manager of the branch at Port Burwell.

Mr. Elliott, teller at the Kelwood branch, has been transferred to Wadena branch as teller- accountant, and Mr. Hopkins, who was teller at Wadena, has been transferred to Regina.

F. R. Ramsey, of the head office branch has been transferred to the Almonte branch as manager.

PROVINCIAL.

The Provincial Bank of Canada has opened two new branches, one in the city of Quebec (Boulevard Largelier), and the other at Aylmer, P.Q., near Ottawa.

NORTHERN CROWN.

R. H. Lacey, accountant at the High River branch of the Northern Crown Bank, for the past two years, has been appointed manager of the Binscarth, Sask., branch.

MOLSONS BANK.

The Molsons Bank has opened two new branches, one in Lachute, Que., and the other in Brucefield, Ont., thus increasing the total of branches to ninety-eight.

A NEW HIGH LEVEL FOR SAVINGS DEPOSITS

February Bank Statement Shows Interest Bearing Deposits Increased by $152,000,000.

The February bank statement shows an increase in savings deposits alone as compared with a year ago of more than the amount asked by the Finance Minister in the Third war loan. Further the $150,000,000 asked for is only 11.4 per cent. of the total deposits and 17.0 per cent. of the deposits bearing interest. This is an indication of the preparation which had been made on the part of the people to meet the loan and explains to a considerable extent the ease with which the total was reached and passed. The statement shows deposits in Canada at $1,310,000,000, an increase for the month of $19,316,000. The heavy reduction in demand deposits in January was partially offset in February by a gain of $3,000,000, but savings deposits, which increased over $19,000,000 in January, gained $16,293,000 in February, making the growth in savings in chartered banks for the first two months of the year over $35,000,000.

That the expansion of business throughout the country continues to make heavy demands upon the banks is shown by the increase in current loans in Canada by $6,823,000. This compares with a decrease of $13,889,000 in January. The activity of business is further evidenced by an expansion in note circulation of the banks of $4,899,000. Again the situation which existed in January is reversed, for in that month circulation was down $15,000,000.

The following statement shows the principal items for the month of February, the changes which occurred during that month, the changes which occurred during the year ending February, and, for the purpose of comparisons, the changes which occurred during February, 1916:—

	Feb., 1917.	Changes during Feb., 1917.	Changes during year ending Feb., 1917.	Changes during Feb., 1916.
Reserve fund	$ 113,351,648	+ $ 13,773	+ $ 894,315	+ $ ......
Note circulation	138,257,295	+ 4,899,108	+ 24,729,058	+ 2,498,665
Demand deposits	430,331,801	+ 3,023,275	+ 40,506,134	+ 2,822,741
Notice deposits	880,456,637	+ 16,293,293	+ 152,214,028	+ 13,978,123
Total deposits in Canada.	1,310,788,438	+ 19,316,568	+ 192,720,162	+ 16,800,864
Deposits outside Canada..	156,496,669	— 2,995,380	+ 39,823,640	— 3,859,938
Current coin	67,123,736	— 1,987,714	— 1,043,611	— 1,376,541
Dominion notes	142,272,399	— 1,226,854	— 11,158,606	+ 1,480,598
Deposits gold reserve	30,050,000	— 2,000,000	+ 19,590,000	— 1,400,000
Call loans in Canada......	78,786,535	— 1,049,461	— 3,162,500	— 635,534
Call loans outside	162,344,556	+ 6,597,080	+ 23,205,904	+ 4,890,099
Current loans in Canada..	813,302,717	+ 6,823,570	+ 52,427,536	+ 2,272,689
Current loans outside	86,944,450	+ 594,939	+ 30,844,731	— 5,887,126
Total liabilities	1,741,168,465	— 149,868,709	+ 268,168,365	+ 2,212,447
Total assets	1,986,497,317	+ 52,980,970	+ 271,172,614	+ 4,590,550

BRITISH EMPIRE'S GOLD PRODUCTION

Two-Thirds of World's Total for 1916 Was from the Dominions.

An indication of the fundamental strength of Great Britain in financing the present war, is to be found in the statistics of gold production for 1916. The statist estimates that of the total of £95,725,000, or $465,845,700, the production fromBritish Empire was almost two-thirds, or £60,188,000. It is significant, too, that while there was a decrease in 1916 of almost £2,000,000 compared with 1915 practically all of this was in the United States and Mexico, there being comparatively little falling off in the total shown for the Empire. The Australian total showed a decline of about £1,000,000, but the great bulk of this was made up by the increase in South Africa.

The detailed figures of the estimated gold production of 1916, in comparison with the preceding three years, are given in the table below (last three figures omitted):

THE WORLD'S GOLD OUTPUT.

	1916.	1915.	1914.
Transvaal	£39,485	£38,627	£35,358
Rhodesia	3,896	3,823	3,580
West Africa	1,615	1,706	1,727
Total Africa	£44,996	£44,147	£40,895
West Australia .. .	4,503	5,140	5,237
Queensland	971	1,078	1,059
Victoria	1,080	1,398	1,755
New South Wales ..	381	559	528
South Australia .. .	25	36	36
*New Zealand	1,770	1,694	895
Tasmania	112	100	111
Total Australia ..	£ 8,842	£ 9,996	£ 9,624
India	2,300	2,366	2,340
Canada	4,050	3,900	3,230
Total Brit. Empire.	£60,188	£60,400	£56,089
United States	19,037	20,300	19,500
Mexico	2,500	3,000	3,800
Russia	6,000	6,000	5,500
Other countries . ..	8,000	8,000	8,000
Grand total	£95,725	£97,709	£92,889

*New Zealand's exports of 1914 and 1915 are given, and as the war interfered with 1914 shipments, the two years' production is about an average of the two years' exports.

JAPAN TO CONTROL QUALITY.

Plans Laid to Hold Trade Gains After War Ends.

The British commercial attache at Yokohama has forwarded to the Board of Trade an extract from the *Japan Times*, from which it appears that the Japanese Department of Agriculture and Commerce is considering a measure for the improvement of the quality of export goods with a view to retaining, at the close of hostilities, oversea markets acquired by Japan during the war.

Complaints, it is said, are too often heard of the poor quality of goods Japan at present exports, so much so that it is generally feared that the trade built up during the war may be eventually lost. The poor quality of certain Japanese goods is attributed to the backwardness of Japan's manufacturing and trading systems.

It has already been decided by the Government to enforce thorough conditioning of all export goods, and the particulars of the measure to be adopted are being considered. According to the official plan, the Association of Manufacturers, or manufacturers' federations established in accordance with the law, will be empowered to condition all export goods on a compulsory system, and the Government will exercise general supervision over the organization of conditioning houses and the actual management of business, at the same time giving bounties to those associations.

Among other goods, all kinds of braids, cotton hosiery, glassware and other goods produced by manufacturers of comparatively small resources will be the first to be brought under the new system of conditioning.

Joint Savings Accounts

A Joint Savings Account may be opened at The Bank of Toronto in the names of two or more persons. In these accounts either party may sign cheques or deposit money. For the different members of a family or a firm a joint account is often a great convenience. Interest is paid on balances.

Assets $73,000,000

THE BANK OF TORONTO

INCORPORATED 1855

Head Office - - TORONTO, CANADA
Paid-Up Capital - $5,000,000 Reserve Funds - - $6,508,000

DIRECTORS.
W. G. Gooderham, President.
J. Henderson, Vice-President.
William Stone, John Macdonald, Lt.-Col. A. E. Gooderham, A. H. Campbell, Brig.-Gen. F. S. Meighen, J. L. Englehart, Wm. I. Gear, Paul J. Myler.
Thos. F. How, General Manager. John R. Lamb, Supt. of Branches.
T. A. Bird, Chief Inspector.

Bankers.—NEW YORK—National Bank of Commerce. CHICAGO—First National Bank. LONDON, ENG.—London City and Midland Bank, Limited.

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ORIGINAL CHARTER 1854

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EARNED 28½% ON COMMON

This After Full Allowances and "Unstated Deductions to Provide for New Plant and Meet War Taxes.

Earnings, after deduction for maintenance, renewals and war taxes for two years—an unstated amount—showing an increase of 55 per cent. as compared with 1915, and eight times as great as those of 1914, and indicating after deduction of much larger allowance for depreciation and sinking fund and payment of preferred dividend, an amount equal to 28½ per cent. on the common stock, are an indication of the remarkable success which attended the operations of the Steel Company of Canada in 1916. More than this one gathers the impression from a review of the statement and analysis of the balance sheet that the document is a conservative one and that the tendency has been to minimize rather than emphasize results which in a large measure must be considered as due to most abnormal conditions. This tendency is not only shown in the fact that maintenance reductions are unstated and that allowances for depreciation are greatly increased but is indicated in the obviously conservative estimate of business under way, immense holdings of cash and government securities, and substantial additions to reserve.

The earnings, after deductions referred to, amounted to $5,021,391, an increase of $1,790,939, or 55 per cent. over 1915 and over 1914 of $4,481,580. After deductions for depreciation of $601,624, an increase of 50 per cent., and for sinking fund of $165,454, an increase of almost 100 per cent., bond interest of $525,819 and allowing for a full year's dividend of 7 per cent. on the preferred stock, the balance represented $3,272,752 available for the common stock.

This amount compares with $1,517,541 in the previous report, an increase of 86 per cent., and represents 28½ per cent. against 15.3 per cent. on the $11,500,000 common stock outstanding. The 1915 surplus was approximately four times the best previous showing in the history of the company. However, owing to the fact that six quarterly dividends on the preferred stock were paid during the year, the amount available for the common was actually $3,046,382 and the deduction from this of the common dividend of 4 per cent. left a balance of $2,586,382 surplus earnings, an amount equivalent to 22½ per cent. on the common. Of this surplus $1,632,855 was carried forward, the large sum of $953,526 being set aside as a special reserve. The surplus of profit and loss now amounts to $4 647.496 while reserves total $3,116,104. Following are comparative figures of the earnings account:—

	1916.	1915.
Profits	$5,021,391	$3,230,452
Sinking fund	165,454	88,500
Depreciation	601,625	400,000
Int. on bonds	525,819	531,000
	$3,728,493	$2,210,952
Div. pref.	682,111	454,741
Div. common	460,000	......
Reserve	953,526	......
	$1,632,855	$1,756,211
Balance forward	3,014,641	1,258,430
	$4,647,496	$3,014,641

The Balance Sheet.

Apart from the conservative handling of the company's earnings as indicated in the distribution of profits, the balance sheet gives further evidence of the manner in which the company's position is being strengthened as the result of the abnormal prosperity. In the first place it is significant that despite the new and extensive operations which the company has been carrying on, the cost of works owned and operated at $24,980,219 shows an increase of less than $4,500,000. Also, while current assets have been very largely increased the item of inventories of raw material and finished products is only something like $100,000 greater than in 1915, illustrating what is referred to by the directors as a conservative valuation of materials and products which have greatly enhanced market values. Cash on hand has been increased to $1,553,658 as compared with $182,691 in 1915, while, in addition, there are holdings of war bonds loans and other securities totaling $1,336,009, the two items referred to making a total of $2,889,658 which may be regarded as immediately available liquid assets. The total of current assets of $12,385,492 stands against current liabilities of only $2,896,719, which embraces accounts payable, an item including provision for war tax for 1916, totaling $2,779,034, and a preferred dividend obligation of $133,685. Bills and accounts payable total only $4,000. Following are comparative figures:

Assets.	1914.	1915.	1916.
Property ..	$24,433,649	$24,528,088	$24,980,219
Investments	317,578	258,822	766,877
Inventories.	5,209,919	5,725,777	5,848,822
Accts rec...	1,043,174	3,824,681	3,551,159
Bills receiv.	127,270	63,050	95,843
Cash	99,407	182,692	1,553,659
Def. cha'ges	11,830	17,177	26,022
Prep'd ins., etc.	6,452	9,536	....
Stk. in trust for empl.	53,532	34,432	20,306
War bonds, etc.	......	......	1,336,000
Total	$31,302,811	$34,644,255	$38,178,921
Liabilities.			
Pref. stock.	$ 6,496,300	$ 6,496,200	$ 6,496,300
Com. stock.	11,500,000	11,500,000	11,500,000
Bond. debt.	8,850,000	8,850,000	8,677,300
Prom. notes	1,200,000	1,200,000	845,000
Accts. pay.	655,337	1,849.446	2,779,034
Bills pay...	720,290	135,000	4,000
Dividend ..	......	341,056	113,685
Reserve ...	622,454	1,257,811	2,716,104
Surplus ...	1,258,430	3,014,642	4,647,497
Total	$31,302,811	$34,644,255	$38,178,921

Preparing for the Future.

That the company is preparing for post-war adjustments is gleaned from a paragraph in the report in which the president, Robert Hobson, states that a great deal of thought has been given during the year to after-war conditions and, as the company has materially added to its capacity for producing steel, it will be necessary to go into new lines in order to use the increased output. With what lines it will be best to take up has not yet been definitely determined but whatever they are will involve considerable expenditure for a new finishing plant. The directors, therefore, deemed it wise and good to start to accumulate a fund to meet this expenditure and to this end was devoted the special reserve of $953,526.

CANADIAN WESTINGHOUSE HAD SUCCESSFUL YEAR

Earnings Were About 20 Per Cent. on the Capital—Strong Position.

The annual statement of the Canadian Westinghouse Company shows that this concern has continued to share in the benefits of the conditions created by extended purchases in Canada by the British and Allied governments. These have been doubly beneficial to the company which not only supplies products which lie at the foundation of all transportation and manufacturing activity but has successfully furnished munitions through the Imperial Munitions board. Net earnings, brought down after deducting all expenses for engineering and development work and for up-keep of plant and machinery, amounted to $1,154,533, which compares with $860,628 in 1915, and less than half that amount in 1913 and is substantially above the previous records of slightly more than a million dollars in 1912 and in 1913. Dividends at the rate of 10 per cent. took $499,617 and, after appropriating $175,000 for depreciation on property and plant, there was added to surplus $479,917, or about 9½ per cent. of the capital. Following are comparative figures:—

	1914	1915	1916
Net earnings ..	$386,113	$860,628	$1,154,533
Deduct—			
Dividends	$340,489	$449,343	$ 499,617
Res. for Ins. Fd. pur.	....	....	....
Depreciation	....	....	....
Bank int.	5,625	....	....
Writ of prop. and plant	....	150,000	175,000
Surplus	30,999	261,285	479,917
	$386,113	$860,628	$1,154,534

The balance sheet indicates that the directors have taken advantage of the prosperous conditions prevailing to materially improve the position of the company. Cash has been increased by about $240,000 to $1,315,836 and an investment has been made in war bonds to the extent of $533,463. Property and plant, despite the fact that there has undoubtedly been large additions for the manufacture of munitions, is lower by $200,000 at $3,039,102. Accounts receivable are lower at $1,455,941 and inventories show a small increase to $2,609,019—evidently a conservative valuation. Assets total $8,961,856. The company carries a surplus of profit and loss of $2,303,692 which approaches 50 per cent. of the capital while there is in addition a reserve fund of $750,000.

LOAN COMPANIES SEEK FAVORABLE LEGISLATION

Recent Changes Indicate a Better Attitude by Legislatures.

PROBLEMS OF THE FUTURE

Mortgage Association Points Out Prospective Difficulties in Securing Adequate Capital—Legislative Co-operation Desirable.

Reference to new legislation affecting the operations of Canadian loaning companies constituted an important feature of the report presented to the annual meeting of the Land Mortgage Companies' Association. At sessions either at present being held or which have just ended, a number of changes have been made, which place charges previously ranking ahead of first mortgages, in their proper place on the register, or otherwise provide for their protection without their taking direct precedence over existing first liens. It would thus appear that the legislative bodies are already responding to the better understandings between the borrowing farmers and lenders which have resulted from closer relationship between the organizations representing both.

In the earlier periods of the existence of the Farmers' Organizations and at the time of the agitation which preceded their formation, there was an evident antagonism towards corporations of every class, and that against the mortgage companies was accentuated, due in a measure to advancing rates of interest and to higher incidental charges which it was necessary to make because of new burdens of taxation, as well as higher fees, and also in some measure, to indiscreet and unreasonable practices of a limited number of lenders. A better understanding of the causes of these higher rates and charges is, to a considerable extent, accountable for the change in the attitude of the borrowing towards the lending public. There remains, however, a very large amount of educational work to be done along these lines.

In these improved legislative tendencies it is indicated that the organization is successfully working towards the end for which it was formed—to maintain and create confidence between lending corporations and the borrowing public, particularly in Western Canada where interest centres on the seed grain and rural credits measures. Much of the recent legislation it is felt has had the effect of interfering with that intimate relationship between borrower and lender of a quarter of a century ago, and which should, as far as practical, be re-established to-day.

The Sources of Funds.

The report deals with the functions of lending corporations and popular fallacies with regard to them and the failure to grasp the fact that the loaning companies are merely the agents of the lending public composed of many hundreds of small investors; the borrower usually thinks of the company as owning the funds. It is pointed out that the importance of the service which the companies can render will be even greater after the conclusion of the war and in this connection the conclusion is drawn that domestic institutions will have to supply the bulk of the capital because there will not be an immediate resumption of the influx of foreign funds. Under these circumstances it is hoped that further legislative cooperation will be given. Regarding the sources of funds the report says:

> It will be recalled that in the years 1908 to 1914, the United Kingdom supplied annually to Canada, amounts ranging from £31,300,358 in 1908 to as high as £67,114,581 in 1912. In the year 1914, Canada obtained no less a sum than £46,363,905 from the Mother Land. Much of this capital, the larger proportion of it, is invested in large public undertakings by the government, railways and municipalities. The smaller borrowers, for the development of farms and the building of homes were accommodated very largely from funds accumulated by domestic corporations. That part obtained from abroad may be measured to some extent by the debentures, payable abroad, held by companies reporting to the Ontario Government. In 1906 the amount of these was $35,361,114, and at the end of 1915, $77,675,352. To the last amount there should be added approximately $30,000,000 representing agencies with head offices on the continent of Europe, and other sums obtained by organizations which operate solely in the West. From such sources we cannot hope for the usual supply of loanable money for some years.
>
> An examination of the statements of seventy-three Canadian corporations shows aggregate assets of $1,096,427,307, as compared with $431,672,194 for seventy-five companies at the end of 1906. Of the former amount at the end of 1915 $419,015,548 represents mortgage investments or an increase of $229,367,098 in ten years. In securities, stocks, bonds and debentures, the amount invested is $241,784,554, an increase in ten years of $95,311,534. The trust and loan companies, from funds controlled beneficially, increased mortgage investments in ten years $73,054,794, and from funds not beneficially owned, $70,054,792 life insurance companies increased their mortgage investments $85,791,034, and fire insurance companies, while showing a large proportionate increase in their holdings of securities, showed a slight decline, in the decade, in mortgage investments. The part thus played in the development of the Dominion by provision of funds available for investment, may be judged by the fact that out of total assets of over $1,096,000,000, an amount of no less than $600,000,000 was in mortgages and securities, or an increase of $325,000,000 in ten years.

TO INVESTORS

THOSE WHO, FROM TIME TO TIME, HAVE
FUNDS REQUIRING INVESTMENT
MAY PURCHASE AT PAR

DOMINION OF CANADA DEBENTURE STOCK

IN SUMS OF $500, OR ANY MULTIPLE THEREOF

Principal repayable 1st October, 1919.

Interest payable half-yearly, 1st April and 1st October by cheque (free of exchange at any chartered Bank in Canada) at the rate of five per cent per annum from the date of purchase.

Holders of this stock will have the privilege of surrendering at par and accrued interest, as the equivalent of cash, in payment of any allotment made under any future war loan issue in Canada other than an issue of Treasury Bills or other like short date security.

Proceeds of this stock are for war purposes only.

A commission of one-quarter of one per cent will be allowed to recognized bond and stock brokers on allotments made in respect of applications for this stock which bear their stamp.

For application forms apply to the Deputy Minister of Finance, Ottawa.

DEPARTMENT OF FINANCE, OTTAWA
OCTOBER 7th, 1916.

CANADIAN REIN-DRIVE TRACTORS, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 26th day of February, 1917, incorporating Henry Jasper Martin and Charles Evans-Lewis, barrister-at-law, Thomas Neville Poole, law clerk, Arthur Deane Parker, estate broker, and Edmund Hale Austin, broker, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To buy, sell, trade and carry on the business of manufacturers of and dealers in tractors, motors, engines, carriages, machinery and agricultural implements of all kinds and of all materials, substances, appliances and things required for or incidental to the manufacture, preparation, adaptation, use or working thereof or the packing, storage or disposition thereof; (b) To purchase or otherwise acquire, hold, lease or otherwise dispose of any real or personal property, rights, or privileges which may be necessary or useful for the carrying on of the business of this company; (c) To construct, maintain and operate on the property of the company all works, tramways, telegraph and telephone lines, bridges, reservoirs, flumes, dams and any other works and conveniences which may seem directly or indirectly conducive to any of the company's objects; (d) To construct, acquire, own, manage, charter, operate, hire and lease all kinds of steam and sailing vessels, boats, tugs and barges, and other vessels, wharves, docks, elevators, warehouses, freight sheds and other buildings necessary or convenient for the purposes of this company; (e) To construct or acquire by lease, purchase or otherwise and to operate works for the production, sale and disposal of steam, electrical, pneumatic, hydraulic and other power and force and to produce, create, develop, acquire by lease or otherwise, and to control and generally deal in and use, sell, lease or otherwise dispose of such steam, electric, pneumatic, hydraulic or other power for any uses and purposes to which the same are adapted; provided, always, that the rights, privileges and powers hereby conferred upon the company in this paragraph in acquiring, using and disposing of electric, hydraulic, pneumatic or other power or force when exercised outside of the property of the company shall be subject to all the laws and regulations of the provincial and municipal authorities in that behalf; (f) To apply for and acquire on any terms, letters patent of invention, patent rights, processes, concessions, other privileges or protections of a like licenses, trade marks, copyrights, or any nature for or connected with any matter, article or subject of manufacture or convenient for the business of the company and to turn the same to account by manufacturing or working the same or granting licenses in respect thereof or otherwise; (g) To purchase or otherwise acquire or undertake all or any part of the business, property, assets or liabilities of any person, partnership or company carrying on business with objects similar in whole or in part to those of the company, or possessed of property suitable and proper for the purposes of the company; (h) To issue paid up shares, bonds or debentures for the payment either in whole or in part of any property real or personal, rights, claims, privileges, concessions or other advantages which the company may lawfully acquire, and also to issue such fully paid shares, bonds or other securities in payment, part payment or exchange for the shares, bonds, debentures or other securities of any other company doing a business similar in whole or in part or incidental to the business of the company; (i) To purchase, acquire, hold and own the capital stock, bonds or other securities of any other company, corporation or individual carrying on or engaged in any business which this company is empowered to carry on or engage in, and to acquire, hold, or otherwise dispose of such shares, bonds or other securities notwithstanding the provisions of section 44 of the Companies Act; (j) To enter into any arrangement for sharing of profits, union of interests, cooperation, joint adventure, reciprocal concession or otherwise with any person, partnership or company carrying on or engaged in or about to carry on any business or transaction which this company is authorized to engage in or carry on, or to amalgamate with any such company; (k) To raise and assist in raising money for and to aid by way of bonus, loan, promise, endorsement, guarantee of bonds, debentures or otherwise, securities, or otherwise of any other company or corporation, and to guarantee the performance of contracts by any such persons with whom the company may have business relations; (l) To invest the moneys of the company not immediately required in such manner as may from time to time be determined; (m) To distribute among the shareholders of the company in kind any property or assets of the company, and in particular any shares, debentures or securities of any other company or companies which may have purchased or taken over, either in whole or in part, the property, assets or liabilities of this company; (n) To amalgamate with any other company or companies having objects similar to those herein enumerated; (o) To sell, lease, exchange or otherwise dispose of in whole or in part the property rights or undertaking of the company for such consideration as may be agreed upon, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this company; (p) To enter into any arrangement with any Governments, authorities, supreme, municipal, local or otherwise, that may seem conducive to the company's objects or any of them, and to obtain from any Government or authority, any rights, privileges or concessions which it may be desirable to obtain, and to carry out, exercise and comply with or sell and dispose of any such arrangements, rights, privileges and concessions; (q) To make donations and subscriptions to any object likely to promote the interests of the company and to create and contribute to pension and other funds and schemes for the benefit of persons employed by the company, or the wives, widows, children or dependents of any such persons, and to subscribe or guarantee money for any charitable or public object; (r) To do all such other acts and things as are incidental or conducive to the attainment of the above objects, or any of them, and to carry on any business, whether manufacturing or otherwise germane to the purposes and objects set forth and which may seem to the company capable of being conveniently carried on by the company or calculated directly or indirectly to enhance the value or render profitable any of its properties or rights. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Canadian Rein Drive Tractors, Limited," with a capital stock of one million dollars, divided into 10,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 28th day of February, 1917.

THOMAS MULVEY,
Under-Secretary of State.

THE CANADIAN MINES DEVELOPMENT COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the first Part of chapter 79. of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 11th day of January, 1917, incorporating James Houston Spence and Grant Cooper, barristers, Lilian Murray Heal, accountant, and John Stewart Emery and Lillian Dillon, stenographers, all of the city of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To acquire, own, lease, prospect for, open, explore, develop, work, improve, maintain and manage mines and mineral lands and deposits and to dig for, raise, crush, wash, smelt, assay, analyze, reduce, amalgate, refine, pipe, convey and otherwise treat ores, metals and minerals, whether belonging to the company or not, and to render the same merchantable, and to sell or otherwire dispose of the same or any part thereof or interest therein; (b) To take, acquire and hold as consideration of ores, metals or minerals sold or otherwise disposed of, or for goods supplied or for work done by contract or otherwise, shares, debentures or other securities of or in any other company having objects in whole or in part similar to those of the company hereby incorporated and to sell and otherwise dispose of the same; (c) To issue and allot as fully paid up shares of the company hereby incorporated, in payment or part payment of any property, movable or immovable, property, rights, leases, business, franchise, undertaking, powers, privileges, licenses, concessions, stocks, bonds, debentures or other property; (d) To purchase, lease, take in exchange or otherwise acquire lands or interests therein, together with any buildings or structures that may be on the lands or any of them; to erect buildings thereon and to sell, lease, exchange or otherwise dispose of the whole or any portion of the lands and all or any of the buildings or structures that are now or may hereafter be erected thereon and to take such security therefor as may be deemed necessary; (e) To sell or dispose of the undertakings and assets of the said company, or any part thereof, for such consideration as the company may think fit, including shares and debentures of any other company having objects altogether or in part similar to those of this company; (f) To purchase or otherwise acquire and undertake all or any part of the assets, business, property, privileges, contracts, rights, obligations and liabilities of any company, society, partnership or carrying on any part of the business which this company is authorized to carry on, or possessed of property suitable for the purposes of this company, and to pay for the same in cash or in shares of this company, or partly in cash and partly in shares; (g) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company and to distribute any of the property in specie among its shareholders; (h) To take, acquire and hold debentures, bonds or other securities of or in any other company having object wholly or in part similar to those of this company and to sell or otherwise dispose of the same; (i) To enter into any arrangement for sharing profits, union of interests or co-operation with any other person or company carrying on or about to carry on any business or transaction which may be of benefit to this company; (j) To enter into partnership or into any arrangement for sharing profits, union of interests, cooperation, joint adventure, reciprocal concession or otherwise with any person or company carrying on or engaged in, or about to carry on or engage in any business or transaction which this company is authorized to carry on or engage in or any business or transaction capable of being conducted so as to directly or indirectly benefit the company and to lend money to, guarantee the contracts of or otherwise assist any such person or company, and to sell, hold, re-issue, with or without guarantee or otherwise deal with the same; (k) To enter into any arrangements with any authorities, municipal, local or otherwise that may seem conducive to the company's objects or any of them and to obtain from any such authority any rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with such arrangements, rights, privileges and concessions; (l) To promote any company or companies for the purpose of acquiring all or any of the property and liabilities of the company or for any other purpose which may seem calculated to benefit the company; (m) To make advances to customers and others having dealings with the company and to guarantee the performance of contracts by any such persons; (n) To draw, accept, make, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants and other negotiable or transferable instruments; (o) To use any of its funds in the purchase of stock or shares in any other corporation, such power to be exercised by the directors but subject to section 44 of The Companies Act; (p) To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the company, or which the company shall consider to be preliminary; (q) Upon any issue of shares, debentures or other securities of the company, to employ brokers, commission agents, and underwriters, and to provide for the remuneration of such persons for their services by payment in cash or with the approval of the shareholders, by the issue of shares, debentures or other securities of the company, or by the granting of options to take the same or in any other manner; (r) To adopt such means of making known the products of the company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books or periodicals, by granting prizes, rewards and donations; (s) To apply for and obtain from any and all legislative, governmental, municipal and other authorities, powers and bodies confirmation, registration and recognition of the company and all its rights, powers, concessions, privileges, franchises and objects as may be considered expedient, and to do whatever may be necessary and expedient to comply from time to time with all laws, ordnances, decrees, regulations and other requirements now or in future existing; (t) To do all or any of the above things as principals, agents, contractors, or otherwise, and either alone or in conjunction with others; (u) To carry on any business, whether manufacturing or otherwise (but which is germane to the objects for which this company is incorporated) and which may seem to the company capable of being conveniently carried on in connection with its business and generally to do all such things as are incidental or conducive to the attainment of the above objects; (v) To do all such other reasonable things as are incidental or conducive to the attainment of the above objects. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "The Canada Mines Development Company Limited" with a capital stock of two hundred and fifty thousand dollars, divided into 2,500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 10th day of January, 1917.

THOMAS MULVEY,
Under-Secretary of State.

THE FINANCIAL POST OF CANADA

President, - - - JOHN BAYNE MACLEAN
Vice-President - - - - - H. T. HUNTER
Manager - - - - - - R. G. DINGMAN

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Toronto, March 31, 1917.

THE METHODS OF SIR ADAM.

TO any who will give more than passing thought to the charges of Sir Adam Beck that the Electrical Development Company has been stealing water from the Niagara River for power purposes, the wildness of the accusations must be apparent. But those who have reason to know Sir Adam and the ways of him realise that there is a method in his madness which is sinister in its possibilities for those interests which are dependent for their welfare upon the covenant of a predecessor of that legislature over which the power dictator wields such a heavy influence.

If the Electrical Development Company has been stealing water—has been taking more than its agreement calls for—Sir Adam has the courts to appeal to. The company claims the right to develop 125,000 horse power for "commercial use" and invites Sir Adam to call upon the courts to interpret the meaning of that agreement, contending that it has not in any way violated it. But that is not Sir Adam's way. The charge which he has made will probably be allowed to fester in the public mind until the closing days of the legislative session when there will be a bill rushed through "in the public interest" with the idea of curbing the rights of the power company and over-riding the charter which it holds.

Carried away by the intoxication of popularity which he has won by the mesmerism of public ownership magic, Sir Adam has the bit in his teeth and recognises no control. The rights of the vested interests as set forth by their charters are evidently no more to Sir Adam than were the rights of the Belgians, as established by solemn treaty, to the Kaiser—to either the end apparently justifies the means and there is too much similarity of method in attaining it.

SUPPLYING GREAT BRITAIN.

THE extent to which Great Britain is finding herself dependent upon the United States for her supply of meat is directing the attention of British economists to the potentialities within the Empire for the production of live stock. Opinion in England is calling for the development of an Imperial supply which will leave Britain independent of foreign countries in this important connection. The vast areas of Canada and the other Colonies are pointed to as grazing grounds and producing tracts for fodder and grain for herds of cattle and flocks of sheep to satisfy the needs of the Motherland. So far as Canada is concerned our future lies in the direction of agricultural production and successful agricultural production of the future will not be of grain alone but of live stock as well. Great Britain asks colonial production to protect her from the American meat trust. The Canadian stock raiser asks the assurance of a market and the capital with which to develop the industry. Let us have the support of British capital for the raising of stock and providing necessary marketing facilities together with a reasonable guarantee of a place in the British market and there is a prosperous future assured for the Canadian live stock industry.

U.S. WAR OBLIGATIONS.

"PUBLIC opinion in the United States does not seem to appreciate what taking part in the great war will mean. There appears to be an idea that responsibility will end with granting of financial aid. The chairman of the Federal Reserve board proposes a loan of a billion dollars and evidently thinks that he has thereby solved the problem of the nation's responsibility to her prospective Allies. Last week, The *Post* has referred to such a loan as a business transaction—war will not mean credit it will mean active assistance and material sacrifice. It is a relief to note that such papers as the New York *Sun* and the *Wall Street Journal*, representing the opinion of the solid and practical business community, realise the responsibilities of a country at war and that in the event of the United States taking part "their cause will become our cause."

The *Journal* refers to the offer of a loan as pawnbroking and not war. It likens it to the offer of the man whose property is being consumed by flames to lend the firemen who are risking their lives a few shillings on good security in order that they may buy a few sandwiches and coffee from his own restaurant, and asks the question: "Should our government go to its friends holding three golden balls in its hand and invite them to come to its pawnshop to borrow on security the funds necessary to equip themselves for defense of its possessions?"

THE BALANCE OF BENEFIT.

WE now find the *Grain Growers' Guide* complaining about the high cost of living. The *Guide* represents the interests of the farmer. If the farmer is not getting the benefit of the high prices of natural products, who is? The trouble is that the farmer is also a consumer. Every consumer looks at the price which he must pay for that which he consumes and does not consider the wherewithal from which he has to apportion that price. Money is of comparative rather than of actual value. A dollar is not so much a dollar to the purchaser as something which may be exchanged for something else. The fact remains that despite the number of dollars which the consumer must pay for his requirements he has more dollars left than before the war when the money he spent brought more for its face value. So long as we can pay the price and as a people have more left than we had under normal conditions then we are prosperous as a nation. This is proven in the actual condition that the average Canadian was never in a better position than he is to-day. It is the readjustment of commodity prices to lower levels that a producing country like Canada has to fear.

THE POLITICS OF THE WEST.

THERE is growing evidence that Western Canada is taking less interest in politics and more interest in policy. Led by the Grain Growers and other farmers' organizations, public opinion—and, with increasing evidence of success, the voting strength—is being lined up in support of a platform which puts Western agricultural interests first and party a very poor second. Efforts are now being made to swing this platform as the farmers ticket in the next Dominion election and to send to Ottawa a solid representation to support the agriculturalists' demands which are not only advocated by the prairie wheat growers but have the endorsation of the National Council of Agriculture. The action of the Regina *Daily Post* in deserting party ranks to take an independent attitude is one of the straws which indicate the direction of the breeze. The outstanding point is that the West finds little use for politics as known in the East. Agriculture is the great industry in country or town and public opinion supports that industry. We in the East who know and appreciate the need of tariff protection to guard our national industrial existence should not ignore this growing force in the West nor should we forget that the prosperity and development of the West plays a part in the prosperity and development of the whole dominion.

THE HIGH COST OF DELIVERY.

THE United States Census Bureau, one of those departments that revel in a mass of figures, has been engaged in the compilation of statistics on the cost of delivery. This investigation proves that for four of the important classes of commodities, coal and wood, milk ice and departmental store merchandise, which unquestionably represents a very considerable part of actual living costs, the delivery charges average more than 8 per cent. of the total cost to the customers. It is hardly just to the different commodities mentioned to scramble them in this way, the item of department store goods might be anything or everything, but according to the statistics, delivery charges on these items represented only 2 per cent. of the selling price. For milk the cost of delivery is 12 per cent. of the selling price, for coal and wood 19 per cent., and for ice 45 per cent.

The cost of delivery in Canada is probably much higher than in the United States owing to the fact that the country is more sparsely settled. Here, then is a problem to which those who seek to reduce the cost of living might give their attention in an effort to evolve more efficient methods. The fact that department stores are able to deliver for about one-quarter the cost of the smaller establishments would appear to give a suggestion as to good results which might attend organization and co-operation on the part of individual dealers; one delivery service in a community might be made to serve as efficiently as several by different stores in the same or other lines of business.

EDITORIAL NOTES.

THE International Nickel Company has made an increase in the price of its product but it is understood that this does not apply to contracts already made and therefore will not for some time at least affect supplies to Britain or her Allies.

• • •

THE *Wall Street Journal* is not blindfolding itself as to the actual conditions in the United States in the event of that country going to war. It considers the probable necessity of having to secure the assistance of trained troops from Canada to defend the Republic against an attack from Mexico.

• • •

WINNIPEG'S Public Utilities Commissioner has investigated the high cost of living and finds no evidence of any combine to keep up prices. He can see nothing but the working of the law of supply and demand. Practically all investigations lead to this conclusion but few investigators openly acknowledge it because they are public servants and the public desires to be informed to the contrary.

• • •

THE Steel Company of Canada has set aside from the profits of a single year about fifty per cent. more against possible readjustments of the future than, according to its balance sheet, has been added to capital account for all the plant and equipment installed for the purpose of handling war business. The shareholders can draw their own deductions as to how the new installations have been financed. The further the report is analysed the more remarkable are the indications of the manner in which the company has strengthened its position.

• • •

THE shareholders of the A. Macdonald Company have now in their own hands the question of financial housecleaning so as to dispose of the heavy burden of "good will" represented by common stock. It is to be hoped that they will face the issue at the annual meeting and apply the knife in an operation which will be for the concern's future welfare.

FRANK A. VANDERLIP ON SUCCESS

Leading American Banker Answers Questions of Interest to the Young Man Who Would Succeed.

Frank A. Vanderlip, President of the National City Bank was asked to answer the following questions:

What are the opportunities offered to young men in industrial and business life to-day?

Are these opportunities the equal of those which their fathers encountered, or have difficulties been built up by the great development of our industrial life, by the aggregation of capital and the increase of its power through the formation of corporations, by the keener competition which characterizes our times, so that the chances of success are less than in former days, the struggle for its attainment greaterrr, the prize harder to secure, the worth of the individual more difficulty to demonstrate?

Mr. Vanderlip answered the questions in an article which appeared in the New York Sun and reproduced in part herewith. The article should be read by every young business man.

Young men, you are under no handicaps because of the time in which your career is placed. I believe I can give you the most unqualified assurance of that. I see the situation from the point of view of membership in executive committees of important corporations, and if I know anything at all of business and industrial corporations I believe that there has never been a more insistent call for well trained, energetic men of character, ability and initiative, and that the world has never been ready to pay greater rewards or offer so many prizes for special distinction as is the case to-day.

I speak from a considerable experience in the search of men of exceptional qualifications to fill places of great importance, and there is no fact clearer to me than the fact that our industrial and business life to-day is rich beyond anything that has gone before in opportunity for men with ability, industry, imagination and character.

There is a theory entertained by many that we have reached a time when work should be less urgent than in other days, when men should have more leisure, that their hours of labor should be shorter and periods of recreation longer. If you hope to gain one of the prizes of life do not adopt that theory for your individual guidance and practice. It may be true for the man whose day's work is solely made up of an expenditure of physical effort; there never was a time when it was less true of the man who hopes to make an intellectual success of life.

I have often said to young men who have asked advice about their work that if they hoped for a large measure of success they must make up their minds to do two full days' work each day. They must do one full day's work at their regular appointed task—at their job; to that day's work they must bring energy, a quick intelligence to comprehend not only the details of what they are doing but the relation of what they are doing to the larger movement to which their work belongs, and not only must they have a desire to accomplish the stint of work that will justify their day's pay but they must voluntarily and vigorously assume every other duty to which they can lay their hand in addition to that stint, so that they may learn not alone the technique of their own task but the technique of the work others are doing.

When they have done all that, however, they have done but one day's work and they have done but half of what should be the real measure of a day's accomplishment for the man who is determined to make a distinguished success.

I tell you if you are to secure one of the large prizes of success you must make up your mind to adopt the theory of the double day's work, and when the regular day's work is finished you must be prepared systematically to devote some considerable portion of time to study toward gaining a broad and intelligent view in all its large aspects of the work with which you are engaged, toward making additions to your stock of general knowledge, to the understanding of problems of the day, to your duties as part of the social organization.

You will not do that by a quick scanning of newspaper headlines or a detailed study of the baseball scores; you will not do it by any desultory and unplanned system of reading. You will only accomplish it in full measure if you have learned or have natively implanted in your habits of systematic mental application, the intelligence to lay out definite courses of study and the strength of purpose to adhere to them.

Now just one more thought in regard to those qualities which make for material success. To forget yourself is more important than to remember any single thing you have ever learned in your lifetime.

Do not worry about your personal relation to a piece of work, but give the deepest attention and consideration to the execution of that piece of work. Never mind whether you have what you regard as your full share of it: never mind whether you are getting what you feel to be your full measure of credit; have the single purpose of getting the work done, of seeing that every proper means is employed to do the work better than it has been done before, and forget yourself, the credit you will receive, the relation you personally occupy toward the work, and if you will do that I give you my word you will have accomplished for yourself the greatest good.

"Integrity, honesty of purpose, good character are the foundations upon which success must depend. You may hear stories of gains that have been made by unfair means, by sharp practices, by shrewdness that only just keeps within the law; but those gains are not success, and insofar as you will establish a reputation for honor, insofar as you put sound character into your work and never try to reach a goal by a short cut that means some loss of your own self-respect, you will lay a substantial foundation for real success.

This is not a mere preachment: it is one of the most practical suggestions that I could give you out of the years of experience that I have had. For just mere practical shrewdness in the way of advice by which to reach position and secure reward there is no observation that I could make that would be of more use to you than one that I once heard to the effect that God had somehow so fixed the world that a man can afford to do about right.

We are in a time when there is going on much readjustment in regard to our views concerning business ethics, concerning natural laws affecting the distribution of wealth and the varying proportion that different classes are entitled to in that distribution. It is a time when there is great criticism of the established order; when there are many new theories of how the powers of government should be exercised. These days are fruitful in the birth of hopeful plans for giving equality of opportunity, easier conditions of life, a wider distribution of prosperity by the magic of legislation.

Now, I tell you that there is no new political economy. There is no novel arrangement of society which will permit you to succeed otherwise than by the exercise of those same qualities that have brought success in other generations. But you are entering active life at a time when sound judgment and serious purpose must be brought to the testing of an endless number of legislative schemes, to the making of political decisions that will be of the greatest moment.

Educated men in accepting the same rights of citizenship that uneducated men accept assume a far greater weight of responsibility. It is the duty of the educated man to study with intelligence the political questions of the day, to form opinions of his own rather than to accept the dictum of others, to be an intelligent guide to those whose minds have been less well prepared to form intellectual judgments.

With us a majority controls actions, and the view of the majority tends to usurp the control of public opinion. Do not fall into the easy habit of taking your opinion from majorities. You have been given the equipment and you now have the duty imposed upon you of thinking for yourselves.

If I have been able to make myself clear to you, you will have seen that I believe that in one word is encompassed the law of material success, the scope of your duty to society, the measure of your responsibility to citizenship. That one word is service.

Make up our mind to serve. It is service that receives reward; it is by service, forgetful of self-interest, service for the sake of accomplishment, that you will gain the greatest material rewards. It is by service to society, by recognition of rights more sacred than any that are personal to yourself, that you will gain in attitude toward life rich in permanent satisfactions.

It is by intelligent service, free from self-interest, in the political activity of your time that you will justify the great gift of citizenship wheh has been bestowed upon you.

PERSONAL

LACHLAN MACNEILL, who has been named Chief Commissioner of the Manitoba Farm Loans Association, has for the past 12 years been in the mortgage department of Osler, Hammond & Nanton at Winnipeg. The post to which he has been appointed promises to become a very important one.

WALTER E. FOSTER, the new premier of New Brunswick, was a clerk in the Bank of Montreal in his early life. He retired to enter the wholesale dry goods firm of Vassie & Co., of St. John, of which he is now vice-president and managing director. He is also president of the St. Martin's Railway Co., and an incorporator of the New Brunswick Hydro Electric Co., and the Dominion Dry Dock Co. In 1906-1907 he was vice-president of the St. John Board of Trade.

R. B. BENNETT, K.C., M.P., head of the National Service Commission, who threatened to resign the other day, because of what he regarded as unjustifiable criticism of the Commission's work, is president of the Calgary Power Company, and a director of several other industrial and financial corporations. Mr. Bennett is one of Canada's most brilliant orators and a distinguished lawyer.

SENATOR GEORGE GORDON, of North Bay, who has been elected to the board of the Excelsior Life Insurance Co., is very prominently identified with the lumber industry of the north country, being a director of the Strong Lumber Co., a director of the Bartlett Lumber Co., a director of the Petawa Lumber Co., and a director of the Expanse Lumber Co. Senator Gordon is also a director of the Skillings, Whitney & Barnes Co., president and director of the George Gordon Co., a director of the Abitibi Pulp & Paper Co., and a director of the Cochrane Hardware Co. Senator Gordon will be a valuable addition to the Excelsior Board.

FRANCIS CHARLES McMATH, B.E., of Walkerville, Ont., who has been appointed a member of the Detroit Municipal Street Railway Commission, is president of the Canadian Bridge & Iron Works, Walkerville, president Essex Terminal Railway, president Essex Real Estate Company, vice-president Trussed Concrete Steel Company, director St. Lawrence Bridge Company, director Canadian Steel Corporation, director Structural Steel Company, director the Maritime Brick Company, and director of the Union Trust Company, of Detroit. Mr. McMath was born in the States, and was prominent in the affairs of the Detroit Bridge and Iron Works of Detroit prior to coming to Canada.

ROBERT ROSWELL GAMEY, M.P.P., whose death occurred last week, and who attracted considerable attention some years ago by his charges against the Ross Government, had considerable interests in New Ontario, being mining speculator as well as broker and insurance agent. He was one of the pioneer brokers in the Cobalt and Porcupine districts and was extensively interested in different mining concerns. For several years he was a member of the mining brokerage firm of Gamey & Lorsch, and held a seat in the Standard Mining Exchange. He also owned and controlled considerable real estate in the neighborhood on Manitoulin Island, where he lived prior to coming to Toronto a few years ago. He was elected to the Ontario Legislature for Manitoulin in 1902 and re-elected 1905, 1908 and 1911.

JOHN M. STUDEBAKER, whose death took place recently at the advanced age of 84 years, was one of the founders of the carriage manufacturing firm of the Studebaker Brothers' Manufacturing Company, the predecessor of the Studebaker Corporation. He was born in Gettysburg, Pa., the son of a blacksmith and carriage maker, and until 17 years old went to school, helping his father and learning his trade. The gold lure took him to California in 1853, but on arrival he dropped the idea of mining and went to work at his trade, at which he was able to save $7,000 in five years. With this capital he went to South Bend, Ind., where his brother Henry had established a carriage factory, and bought half an interest in the business. Henry later retired and two younger brothers, Peter E. and Jacob F., were taken into the firm, the Studebaker Brothers Manufacturing Company then being formed. The advent of the automobile diverted the firm's business which had by that time become big, into new lines, and the Studebaker Corporation was organized with John M. Studebaker as honorary president.

COL. JOHN TAYLOR FOTHERINGHAM, C.M.G., who has been appointed to the position of Director of Medical Services Invalids, an office newly created by the Militia Department in connection with the Canadian Army Medical Corps, will have full responsibility in dealing with and administering the medical and surgical work in connection with returned soldiers. Col. Fotheringham is a Canadian and was born at Kirkton, Perth County, Ontario, in 1860. He took his B.A. and M.B. degree at Toronto University, and M.D. and C.M. degree at Trinity University. After serving for some years on the faculties of Upper Canada College, the Ontario College of Pharmacy and the University of Toronto, he was made head of service, medical staff, Toronto General Hospital, and consulting physician of the Hospital for Sick Children. Since joining the Queen's Own Rifles, back in 1879, he has taken a prominent interest in military affairs. He was principal medical officer of the Second Military District from 1905 to 1910 and assistant director of Medical Service, Second Division, from 1910 to 1913. He was president of Association of Militia and Medical Officers in 1913 and 1914 and at the same time chairman, Section in Medicine, Toronto Academy of Medicine. Col. Fotheringham was made an Esquire of the Order of St. John of Jerusalem in England, in July, 1913.

CHARLES HERBERT EASSON who has been appointed general manager of the Standard Bank of Canada to fill the vacancy caused by the death of the late George P. Scholfield, returns to the calling to which he has given nearly thirty years of his life and energy after a short period in the industrial field as vice-president and treasurer of Brown's Copper and Brass Rolling Mills, Toronto. The new general manager is another of the many Eastern Canadians who have been successful in a big business way in the country's big financial and industrial centres. Born at Bridgetown, N.S., in 1871, he entered the service of the Bank of Nova Scotia in his home town at an early age, and from that time has been steadily moving up the rungs of the ladder which mark thorough banking training and responsive ability and judgment. His first managership was in New Glasgow, and later he enlarged his knowledge of the banking business in similar positions at St. John, Ottawa and Winnipeg.

In 1912 Mr. Easson became general manager of the Bank of New Brunswick, a position he held until the amalgamation of the Banks of Nova Scotia and New Brunswick in 1913. After the union he became Toronto manager of the Bank of Nova Scotia, in which capacity he remained until the fall of 1916.

SIR HERBERT BROWN AMES, LL.D., M.P., who this week addressed a National Service meeting held at New York by the Navy League of the United States, at which plans were discussed to stimulate recruiting for the American Navy and its auxiliary services by making it possible for men who volunteer to feel certain that their dependents and families will be amply cared for, is honorary secretary of the Canadian Patriotic Fund, and his energies in connection with the organization have been largely responsible for the protection which has been provided in Canada for the dependents of Canadian volunteers. In industrial and financial circles he has a wide connection, being vice-president and director of Ames-Holden, McCready; director of Dominion Gresham Guarantee and Casualty Co., and director of Gresham Life Assurance Society. His business career started in his connection with the firm of Ames-Holden & Company, which continued from 1885 to 1893. Severing his connection with the firm he interested himself in municipal reform work and became an active worker in and president of the Volunteer Electoral League, which body was largely instrumental in bringing about the reformation of the city council. At the same time he showed an active interest in municipal affairs, being an alderman in Montreal for eight years, and chairman of the municipal board of health for half of that period. He has lectured somewhat extensively on municipal government and Canadian political history and has made valued contributions to the press in addition to writing several works on civic and sociological problems. Sir Herbert has been prominent in the consideration of questions of Imperial interest, especially those tending to promote trade between the various parts of the Empire. He addressed the London Chamber of Commerce on trade interchange in 1904 and was presented with a silver bowl by that body in acknowledgment of personal services. He was delegate to the Imperial Commercial Congress at Sydney, Australia, in 1909, and moved in that body for the appointment of an advisory Imperial council to consider questions of Imperial interest. His interest in public affairs also led to his participation in national politics and he was elected to the House of Commons in 1904, being re-elected in 1908 and 1911. As a member of the Commons he succeeded in having a committee appointed for the revision of the assets of the Dominion in 1909. He was one of the representatives of the House of Commons at King George's Coronation, and was the chairman of the select standing committee on banking and commerce in 1911. Sir Herbert was created a Knight Bachelor in 1915.

POOR'S RAILROAD MANUAL.

Poor's Manual of Railroads—fiftieth annual number—is issued. It is the first 1917 manual offered to the public. It contains statements of companies for the year ended June 30, 1916, and also all important information furnished the manual up to the time of going to press. A prominent feature shows the margin of safety over interest and dividend requirements of individual stocks and bonds. No opinion of value is given, but all the essential facts appear from which an opinion may be formed. The bond revisions for 1917 are very much enlarged and improved as compared with those of previous issues of the Manual. Altogether, the fiftieth annual number should prove to be the most useful volume of the series, and should be a part of the equipment of every financial institution and investment house.

GOVERNMENT OWNERSHIP OF NEW ZEALAND AND AUSTRALIAN RAILWAYS

Showing How Under Public Ownership Figures of Revenue and Expense Are Juggled so as to Give Public False Ideas of the Net Profits to the State.

In view of the interest now being taken in the Canadian transportation problem and the question of nationalization as the solution of the financial difficulties of the Grand Trunk Pacific, the Canadian Northern and the Grand Trunk, it may be well to consider the experience of New Zealand and Australia in the operation of Government-owned systems. In this connection THE FINANCIAL POST has been enabled, largely through the courtesy of the Railway Age Gazette, to secure information showing the actual results which have attended the public operation of the railways in the countries referred to. Included in the following article are the results of a comprehensive study of conditions in New Zealand embodied in an article published in Moody's Magazine, August, 1907, by Prof. James Edward Le Rossignol, and supplemented by the same author in collaboration with William Downie Stewart in the Quarterly Journal of Economics, August, 1909. The statistical matter has been supplemented and extended and brought down to date from material contained in the annual railways statement of the minister of railways of New Zealand, which includes the report of the general manager of railways. In our next issue will be given some comparisons of the results of operation of the Government railways referred to with privately-owned railways in Canada and the United States, and with the results of the operation of the Canadian Pacific in particular, and a statement of the financial results of operation in recent years of the railways of all the Australian colonies.

In considering the railway situation in New Zealand and in Australia there are certain phases to be considered similar to those which have developed in Canada and are likely to develop in any new country; that is the service warranted by the movement of freight and passenger traffic and the service provided for the purpose of opening new territory which is not warranted by the current business. In New Zealand for instance the railway through the North Island from Auckland to Wellington which was opened seven years ago was a national proposition for the opening of a sparsely settled country and its outlook did not warrant an undertaking which would have provided adequate return on private capital: however, if the country was to be opened the railway was necessary. This enterprise would appear to be parallel to that of the Grand Trunk Pacific in Western Canada, a system which will operate to open a new country rather than return profits and is therefore in a sense a national proposition.

In the operation of the New Zealand and Australian railways and in the financial arrangements there evidence of those weak features which are so prevalent in administration under public ownership. In order to popularize the enterprise with the people there are indirect burdens placed upon the taxpayers which private owner systems would have to bear and thus false profits are shown. Especially where there is no competition from private corporations the insidious influence of politics is found in patronage and the "pork barrel" contract system while deficits in operation are made up by burdens of general taxation. Nor can the excuse be offered that more costly operation results in better public service.

In reference to the published statements of the statistics of the railways of New Zealand, Prof. LeRossignol finds the same basis for criticism which so commonly develops is a study of government ownership of railways. Statistics purporting to show financial results are put out for public consumption which do not tell the whole story. At least they cannot be compared with the results of the workings of privately-owned systems without adjustments.

The official reports of the workings of government railways ordinarily make it appear that in each year there is an exces of operating revenue over operating expenditure and this is called "net profit." Ordinarily these statements take no account of interest and possibly because for this reason the significance of the expenditure is lost, charges are sometimes made to capital account which properly should be paid out of revenue. But, in many instances, if such charges were made against revenue the result would be an appreciable diminution in the amount of "net profit" if, indeed, it did not convert it into a deficit. The fact of such charges against capital account does not appear in its true light, being obscured in the same manner as is the item of interest which becomes a part of the burden upon the taxpayer as his proportion of the public debt. Government railways do not pay taxes. They in this manner also escape a part of the financial burden which must be borne by the privately-owned railway, from which, as from the direct payment of interest, there is no escape.

NEW ZEALAND RAILWAYS—PRIVATE AND PUBLIC FINANCING.

Year.	*Capital Cost	Interest	Expenditure	Total Revenue	Deficit
1883	£10.478.998	£ 502.592	£ 592.821	£ 953.347	£142.466
1884	11,078,500	531.768	655.990	961.304	226.454
1885	11.810.194	555.079	690.026	1.045.712	199.283
1886	12,472.814	586,222	690.340	1,047.419	229.143
1887	13.017.567	611.826	699.072	998.768	312.130
1888	13.352.978	614.237	687.328	994.843	306.722
1889	13.472.837	619,750	647.045	997.615	269.180
1890	13.899.955	629.398	682.7[illegible]	1.095.570	226.615
1891	14,278.586	642.536	700.703	1,121.701	221.538
1892	14,656.691	674.208	706.517	1.115.432	265.293
1893	14.733.120	633.524	732.142	1.181.522	184.144
1894	15.137.036	666.030	735.359	1.172.793	228.596
1895	15.352.613	629.457	732.160	1.150.851	210.766
1896	15,425.532	601.596	751.368	1,183.041	169.923
1897	15.577.392	608.518	789.054	1,286.158	111.417
1898	15.993.903	623.762	857.191	1.376.008	104.945
1899	16,404.076	622.355	929.738	1.469.665	84.428
1900	16,703.887	634.847	1,052.358	1.623.891	63.314
1901	17,207.328	653.878	1,127.848	1.727.236	55.490
1902	18.170.722	690.487	1,250.237	1.874.586	66.138
1903	19.081.735	706.022	1.342.415	1,974.038	75.399
1904	20,692.911	787.130	1.438.724	2.180.641	45.213
1905	21,701.572	804.958	1,492.900	2.209.231	86.627
1906	22,498.972	854.960	1,621.239	2,349.704	126.495
1907	23.504.272	869.658	1,812.482	2,624.600	57.540
1908	24.365.647	901.528	1.949.759	2.761.938	89.349
1909	27.762.592	1,027.215	2.114.815	2.929.526	212.504
1910	28.513.476	1,054.998	2.169.474	3,249.790	†25.318
1911	29.606.546	1,095.442	2,303.272	3.494.182	†95.468
1912	30 506,089	1.128.725	2.465.896	3.676.509	†61.888
1913	31.611.220	1,169.615	2.705.609	3.971.002	†95.778
1914	32.355.087	1,197.128	2,880 323	4.043.328	34.133
1915	34.133.825	1.262.951	2.920.455	4.105.457	77.949
1916	34.857,882	1,289,741	2,910,883	4.548,356	†347,732
Total deficit				£4,483.294	
Net profit				*626.184	
Net deficit				3,857,110	

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*Includes open lines only. †Net profit.

The foregoing table shows figures in detail for each of the thirty-four years, 1883 to 1916, with the mileage and capital cost (not including the cost of unopened lines), the amount of interest on this capital cost at the rate of interest of the public debt, the expenditures for operation, the total revenue, and the resulting deficit or net profit as the case may be.

On a Private-Ownership Basis.

The table which follows illustrates an effort to reach a basis of the same statistics as they would confront a privately owned railway, 1896 to 1916. The interest is at the same rate, but upon the true capital cost. This is more fully explained in the article.

Year.	Capital Cost	Interest	Expenditure	Total Revenue	Deficit
1897	£16.534.980	£ 644.864	£ 789.054	£1.286.158	£147.760
1898	16.872.045	658.010	857.191	1.376.008	139.193
1899	17.190.967	653.257	929.738	1,469.665	113.330
1900	17,554.272	667.062	1.052.358	1.623.891	85.529
1901	18.230.057	692.742	1.127,848	1,727.236	93.354
1902	*19.496.553	740.869	1,252.237	1.874 586	118.520
1903	20.214.900	768.166	1.343.415	1,974.028	137.543
1904	22.173.200	842.582	1,438.724	2,180,641	100.665
1905	23.003.704	851,137	1.492.900	2.209.231	134.806
1906	24.092.085	915.499	1.621.239	2,349.704	187.034
1907	*23.504.272	869.658	1.812.482	2.624.600	57.540
1908	26,735.140	989.200	1.949.759	2,761.938	177.021
1909	29,705,973	1.099.121	2,114.815	2,929,526	284.410
1910	30.321.191	1,121,884	2,169,474	3,249.790	41.568
1911	31,509,900	1,165,869	2,303,272	3,494.182	†25,041
1912	32,689.179	1,209,500	2,465,896	3,676,509	†1,113
1913	33,831,783	1.251,776	2,705.609	3.971.002	†13.617
1914	*32.355.087	1.197.138	2.880.322	4,043.328	34.133
1915	36,133,155	1.336,927	2,920.455	4.105.457	151.925
1916	27.335.080	1.381.398	2,910,883	4.548.356	†256,075
Total deficit since 1883				£5,196,684	
Net profit				295.846	
Net deficit				4,490.838	

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*Covers open lines only. †Net profit.

On the other hand readers of THE POST may recall the letter written by Sydney Smith from Rotorua, N.Z., and recently published, in which he stated that he had never experienced a worse rail service in the world than that of New Zealand or a more costly service to travel or freight on; freights and passages were of the highest, the service of the worst and the employees the most casual.

False Earnings Figures.

All of the features, which require adjustment if the financial statements of government-owned railways are to be compared with those of privately-owned railways, are found in the annual statements of the New Zealand railways. If these statements were to be taken at their face value, without such adjustment, it would appear that the New Zealand railways for a considerable period of years have earned a "net profit" of from 3 to 3.25 per cent. upon the capital invested. As a matter of fact, on the most favorable showing there are only five years in the last 34, since 1883, in which they have earned operating expenses and interest at the rate paid upon the government debt of which, of course, the railway capital and its deficits from operation become a part. For certain reasons which will appear further on, it is doubtful is they have ever earned operating expenses and interest at the actual rate paid and upon the actual amount invested in any year except possibly in 1916.

NEW SOUTH WALES.
Results of Operation.

	Total Earn	Surplus or Deficit	%	Am't Per Mile Sur. or Deficit
1907	£4,709.406	£610,955	12.97	$867
1908	4.944.134	579.931	11.73	831
1909	5,028.450	388.892	7.73	531
1910	5.485,715	522.288	9.52	701
1911	6,042,205	553.998	9.17	726
1912	6.491.473	415.513	6.40	582
1913	6,748.985	186.904	2.77	23
1914	7,742.241	209,367	2.70	257
1915	7,616,511	–23,331	–.31	–28
1916	8,006,078	–223,749	–2.79	–261

RATE OF INTEREST TO EARNINGS.

	Total Earnings	"Net Profits" Exclusive of Interest	Interest	Interest Per Cent. of Total Earnings	Interest Per Cent. of "Net Profits"
1907	4,709.406	2,209.665	1.598.710	33.94	71.89
1908	4.944,134	2,229,295	1,649.364	33.36	73.99
1909	5.028,450	2,075,626	1,686.734	33.54	81.26
1910	5,485.715	2.209.306	1,687.018	30.75	76.36
1911	6,042.205	2.351,144	1,797,146	29.74	76.44
1912	6.491.473	2,321.882	1,906,369	29.37	82.11
1913	6.748.985	2.104,104	1,917.200	28.41	91.12
1914	7.742.241	2,332,421	2,123.054	27.42	91.02
1915	7,616 511	2.305.349	2,328.680	30.57	101.01
1916	8,006,078	2,344,910	2,568,659	32.11	109 54
					Increase 52.37

Evading Capital Charges.

In the official statements showing "net profits on working," and the per cent. of these "profits" of capital cost, not only is no account taken of interest which must be met by taxpayers as a part of the interest on the public debt, but capital cost includes only the cost of opened lines—that is, lines that are in operation. Considerable amounts are constantly under investment in lines not yet in operation and the interest on this investment should properly be added to the amount of interest on lines in operation. Moreover, numerous instances are cited in which investments in unopened lines are left to lie idle for several years without being put in condition to be operated and to earn at least a part of the interest on the investment in them. But for the time being ignoring these possible adjustments, the accompanying table has been prepared to show the financial condition of the railways of New Zealand in their most favorable light. From this statement it appears that in the 34 years from 1883 to 1916 inclusive the railways made in five years a net profit over interest charges of £626,184; in 29 years they made total deficits of £4,483,294; or a net deficit for the whole period of £3,857,110—about $19,000,000.

It is proper to state that the figures showing the rate of interest on the public debt from 1883 to 1908 are taken from the article by Le Rossignol and Stewart. In the absence of positive knowledge of the prevailing rate in each year from 1909 to 1916, the rate has been continued as that of 1908. The reports of the minister of railways give the rate of interest on the railroad debt in 1911 and 1913 as slightly over 4 per cent. and in 1912 a negligible fraction less than 4 per cent. The Statistical Abstract of the United States, published by the Bureau of Foreign and Domestic Commerce, gives the public debt rate during these years as "3 to 4 per cent." The article above referred to states that "the average rate of interest on the public debt is less than the rate actually paid on the sums realized by the government from the sale of stock. In 1909 the 4 per cent. stock was floated at about par and therefore it would be more correct to take 4 per cent. as the rate of interest on the railway debt." If interest were calculated at this rate the additional amount would be more than sufficient to wipe out the net profits shown by the accompanying table, without taking into account the capital cost of unopened lines.

On a "Private" Basis

Figures are at hand which show the total capital cost including cost of unopened lines for each of the years since 1896 except for the two years 1907 and 1914. With the view to approach the facts somewhat more nearly on the basis upon which they would confront a privately-owned railway, the table for the years since 1896 has been recast. The interest in the second table has therefore been calculated at the same rates as before, but upon the true capital cost except for the two years named.

It appears that there were net profits in four years—1911, 1912, 1913 and 1916. Taking the amounts of the deficits for the 14 years from 1883 as in the preceding table, which amounts are of course considerably less than the actual deficits for those years, the total net profit for the 34 years appears as £295,846 and the total deficit £5,196,634, leaving a net deficit of £4.490.838, or something over $22,000,000. If the amounts of investment in unopened lines during the 14 years 1883 to 1896, during which years approximately 50 miles per year were opened, were known, the additional interest would probably be sufficient to bring the total deficit up to over $25,000,000.

Allowance for Taxes

In order accurately to compare the financial results of operation of a government-owned system with railways under private ownership, some allowance needs to be made for taxes. Privately-owned roads pay their proportion of the public debt in this way, thus reducing the amount of taxation that must be spread over the property of the rest of the public, instead of adding the burden of its own debt and current losses to that which the people must carry, as do government-owned roads.

The True Profits

The average amount per year charged to this account in the ten years from 1897 to 1906 was £312,248. In more recent years the amount has been larger. This would perhaps not be significant except for a fact pointed out by Prof. Le Rossignol. He has calculated that the true net profits of the railways have varied from 2.62 per cent. profit in 1897 to a loss of 8 per cent. in 1902, while the stated "net profits" have maintained a substantial uniformity around 3 to 3.25 per cent. His explanation is:

"As a matter of fact these natural fluctuations in the true net profit are converted into a uniformity, in the alleged net profits, by arbitrarily increasing or decreasing the amounts borrowed for 'Additions to Open

Continued on page 15

Options in Russian Exchange

We shall be glad to give particulars and quotations on request

GREENSHIELDS & CO.
Members Montreal Stock Exchange
Dealers in Canadian Bond Issues
17 St. John St. · Montreal

A WONDERFUL YEAR!

To the Policy-holding Owners of The Prudential Insurance Company of America:

During 1916 your Company issued **OVER FIVE HUNDRED AND NINETY-ONE AND ONE-HALF MILLION DOLLARS** of paid-for life insurance at the lowest expense-rate in your Company's history. This is the largest year's business ever paid for by The Prudential. The gain in insurance in force was **$283,000,000.**

Although your Company is but forty-one years old, you are now the holders of **15,000,000** policies, representing a total insurance in force of **OVER THREE BILLION DOLLARS.**

Since your Company was organized it has paid to its policyholders the great sum of **$428,000,000,** including more than **$28,750,000** not called for in any way by the policy contracts. The 1916 payments to policyholders were over **$47,278,000.**

This wonderful growth and these remarkable figures reflect anew the confidence the insuring public has in The Prudential, and are a reindorsement of its aims, its achievements and its service.

Forrest F. Dryden
President.

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Pioneer of Industrial Insurance in America
THE PRUDENTIAL HAS THE STRENGTH OF GIBRALTAR

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TORONTO MONTREAL WINNIPEG

W. A. Fraser has come back

YOU remember W. A. Fraser, the brilliant Canadian author of "Mooswa," "Thoroughbreds," "Blood Lilies," and other good stories of India and Canada? Latterly Mr. Fraser's literary activity has been in repose, but now he has arranged to provide **MacLean's Magazine** with a brand new series of short stories, the first of which, "A WANDERING MUMMY," is a fine tale of the Canadian West, with an East Indian strand woven into it. It appears in the April **MacLean's**.

Hopkins Moorhouse, who is "coming strong." Mr. Moorhouse is a Manitoban, and to the April **MacLean's** he contributes The Centre of Gravity, "corking good stuff," to use the language of the Editor. This is the first of a series of stories featuring Andy Doolin, a "character," keeper of a saloon. These stories are of the boom days in British Columbia's gold mining history, days when Jim Crotty, Dutch McGee, and The Parson, desperadoes all, made life a catchy thing and stirring.

James B. Hendryx is a well-known writer whose 90,000-word serial story begins in the April **MacLean's**, The Gun-Brand, is of the Peace River Country, and is of gun-runners, Indians, whiskey, a Hudson's Bay Company post, voyageurs, and a dream of a girl.

Agnes C. Laut, H. F. Gadsby and W. A. Craick are contributors to the April **MacLean's**. Each contributes a special article of great and immediate interest.

Now, these are just a part of the contents of

MACLEAN'S FOR APRIL

THEY suffice, however, to give you a good idea of the distinctive Canadian character and appeal of **MacLean's**, and to let you and others see that in **MacLean's** one gets his money's worth and more, whether it be mere entertainment that is sought, or something informative, stimulating and timely concerning Canada life, interests, thought and politics.

At All News-Agents
Fifteen Cents

NEWS OF THE BOND MARKET

GREAT SUCCESS OF CANADA'S 3rd WAR LOAN

Bond Dealers Contribute Over $110,000,000 to Total.

DID A SPLENDID WORK

Each Succeeding Loan Has Seen a Great Increase in the Efficiency of the Sales Forces of the Bond-Dealers.

On Monday last Sir Thomas White announced that the subscriptions to the third Canadian war loan had amounted to $250,000,000, exclusive of applications for bonds to be paid for by the conversion of first war loan bonds or debenture stock. Deducting the $60,000,000 contingently subscribed by the chartered banks, which Sir Thomas stated would not be accepted, the loan was oversubscribed by $40,000,000. The other interesting statement made by the Finance Minister was that there were in all over 40,000 applications for allotments of the bonds.

Bond Dealers' Great Work.

The bond dealers of Canada rose nobly to the occasion, and in spite of fears expressed in some quarters that $150,000,000 was too large a sum to be attempted, rolled up the bulk of the required money. C. H. Burgess, secretary of the Bond Dealers' Association, has made public the statement that the members of the association, were among them responsible for the sale of between $110,000,000 and $115,000,000 of the loan, or about 60 per cent. of the total issue. When it is added that of the first loan members of the association sold $30,000,000, and of the second loan $78,000,000, the increasing value and importance of their work must be evident.

Bond Dealers' Sales.

Generally speaking bond dealers have refrained from giving out the totals of sales made by them individually, but there are a few exceptions.

Wood, Gundy & Company announce that the total subscriptions received by them for the third war loan aggregate $34,652,000. This compares with subscriptions of $22,000,000 to the second war loan and $7,000,000, to the first war loan. The number of actual subscriptions exceeds 2,500, being approximately double that of the last loan and consists of:—

10 of $1,000,000 and upwards.
5 or 500,000 and upwards.
29 of 100,000 and upwards.
42 of 50,000 and upwards.
61 of 25,000 and upwards.

Of this amount $33,250,000, or over 96 per cent., is new money.

W. L. McKinnon, of W. L. McKinnon & Co., announces that his firm secured 373 subscriptions to the loan, aggregating $1,640,000.

A. E. Ames, head of the firm of A. E. Ames & Co., supplies the following information regarding Dominion loan subscriptions placed by them:—

	No. of Subscriptions	Amount
1st loan	1,025	$ 2,419,600
2nd loan	975	*6,734,000
3rd loan	1,909	*13,576,100

*This amount does not include their own subscriptions nor their interest in any subscriptions.

What Cities Took.

Winnipeg, with sales of $12,000,000, made an excellent showing among Canadian cities. Only a few totals have been made public, the following being taken from reports sent out by the respective places:—

Winnipeg	$12,000,000
Vancouver	2,021,500
Brantford	1,681,000
Victoria	1,400,000
Guelph	400,000
Galt	500,000
Woodstock	184,700
Stratford	382,600
New Westminster	422,700
Sudbury	180,000
Port Arthur	150,000

Allotment.

Information regarding the allotment of the bonds is expected soon. Proportionally the loan was not over-subscribed to the extent of the second loan, which means that the reduction of the larger subscriptions will not have to be so drastic. In the case of the second loan, the cut extended to about 60 per cent. on the very large subscriptions. This time it is thought that about 40 per cent. may be sufficient.

Sir Thomas' Statement.

In announcing the success of the loan, Sir Thomas White made the following statement:—

"While it will be some days before all applications in the mails and now on their way from all parts of Canada will come to hand, we are able to announce officially that the loan has been over-subscribed by one hundred million dollars. This means that the banks will receive no part of their sixty millions of subscriptions, and that the other large subscriptions, will be substantially scaled down on allotment. This will make for a very strong financial and market situation, as Canadian liquid bank funds will be conserved for the general purposes of the community and the unsatisfied demand for the loan should more than maintain the issue price. Applications will aggregate over forty thousand, and it is particularly gratifying to note the increased number of small subscriptions.

Significant Success for Canada.

"The result is a most notable and significant success for the Canadian people. In the eyes of the outside world it will be regarded as our greatest achievement of the war next to mobilizing our army and sending it overseas. It will immediately enhance our financial prestige and strengthen our credit should we later have recourse to foreign money markets. One thing it has demonstrated and that is Canada, if she chooses can do her own war financing among her own people. That is to say, it is within our power to be self-contained financially. If the people of Canada will continue to save money, we shall finish the war with the greatest part of our debt held by Canadians. This would constitute a very strong position which we should strive to our utmost to attain. The Government is of course, greatly gratified at the outcome. Think of the difference between having this loan an accomplished fact behind us instead of an uncertain problem for the future.

"If the Government had not the greatest confidence in the Canadian people we should never have reached the determination to launch the loan at a time when the most powerful interests in New York hesitated to bring out the most attractive Governmental issues which had long been awaiting flotation. We relied first upon the patriotism of the Canadian people without which the issue could have been only a partial or fragmentary success. We relied secondly upon the intrinsic merit of the securities and the attractiveness of the rate at which they were offered. No one participating in this issue will ever have cause to regret his action. Our most sincere thanks are due to the people including the provincial governments, municipalities, insurance and fraternal societies, trust and loan companies and other financial, commercial and industrial establishments who so nobly supported the issue. Especially do we feel that we should thank the press whose editorial support was valuable beyond monetary computation, the brokers who rendered magnificent service, employing their most efficient organizations, both in Canada and the United States, and making lavish expenditures of money in public advertising and upon private propaganda reaching all sections of the community, and the chartered banks whose managers at over three thousand offices throughout Canada used their best endeavors to make the issue a success. It all comes back to the starting point that the Canadians are a wonderful people, capable of any national achievement. With them the bigger the undertaking the greater the certainty of success."

Helps Great Britain.

Out of the proceeds of the present war loan the Government will be able to assist the British Government in its Canadian financing for munitions and supplies to be purchased in Canada to the amount of at least $50,000,000.

This will be of the greatest assistance to the Imperial Treasury, as the problem of finding dollar credits on this side of the Atlantic is one of the most difficult with which it is now grappling. As a set-off to this assistance to them in Canada the British Government is finding money for Canada's war expenditure in Great Britain and on the continent. This arrangement is working out to the greatest advantage to the finances of both Canada and the Mother Country.

Features of the Week

Reaction after the strenuous efforts of the two preceding weeks was in evidence this week. A general feeling of lassitude was noticeable in bond circles. Business was very quiet and the expectation is that little will be done until after the allotments are announced. With the uncertainty hanging over the American market, no one seems inclined to make prophecies regarding the trend of prices. The hope is expressed that there will be some improvement. Meanwhile a few new issues are being placed, notably one by the Province of Manitoba.

MANITOBA SELLS

A Two-million-dollar Issue to Toronto and New York Firms.

It was announced on Monday that the Province of Manitoba had sold to Wood, Gundy & Co., Toronto, and the National City Company, of New York, $2,000,000 of five per cent. five-year gold bonds, payable in New York and Canada. The price which the Province received is 98 and interest, less an underwriting commission, and in view of the heavy call upon investment funds produced by the War Loan and the strenuous efforts that have been made to divert floating capital into that issue, the sale is regarded in financial quarters as an exceptionally good one. The bonds will be dated April 1. The National City Company, the New York buyers of the bonds, is a subsidiary of the National City Bank, recently formed for the purpose of dealing in foreign securities.

PRICES DURING 1916 ADVANCED TO HIGH LEVEL

HAVE CLIMBED SINCE 1913

According to Chart Published in Annual Review of American Market.

Four Influences That Have Been at Work in the United States to Bring About This Desirable Result.

A comprehensive review of the outstanding features of last year's municipal bond business prefaces the 1916 volume of "Municipal Bond Sales," compiled and published by the *Bond Buyer* of New York. One of the most striking features of this review is a chart illustrating the trend of municipal bond values between 1895 and 1916. In preparing the chart, the market values of the bonds of the twenty largest cities of the United States, excluding Washington, have been taken. The result is to show that except for a few minor set-backs, the course of prices has been steadily upward from 1913.

Municipal credit in the United States was at its high water mark in 1901, when the average yield of the twenty city bonds employed in comparison was 3.10%. It dropped fairly steadily from year to year until 1913, when the average yield touched 4.45%. At the end of 1914, it stood at 4.16%; at the end of 1915 at 4.08% and at the end of 1916 at 3.90%.

Four causes have been at work to produce this result. In the first place the effect of the income tax law has been beneficial. While the income tax has been practically doubled during the year, public securities still remain exempt from its application.

The second influence has come from the postal savings bank legislation. Last spring an amendment was passed raising the limit of the amount which can be accepted for deposit by the bank. This greatly increased the amount of money on deposit and facilitated a wider distribution of bonds, totaling about $40,000,000.

The general prosperity of the country and the education of the private investor to purchase municipal bonds are factors that are also pointed out.

The review shows that, in spite of lower money rates and the growth of the country, borrowing was very little larger than in 1915, 1914 or 1911, these being the largest years before 1916. It totaled $497,403,751.

Reference is made to Canada's borborrowing and to the principal issues of the year. "It is probably fair to say," says the review, "that the investor in the "States," who has been asked to consider Canadian municipals has been impressed, during the past year, with the efforts made by such places as Toronto, Montreal, Edmonton and Winnipeg, to re-adjust their civic finances to meet more nearly the standards by which American municipal credit is judged.

"Canada has found in the United States a market for her securities that appears ready to take on permanently the task of financing her rapid and promising growth and development. Through the efforts of her bankers, the Dominion should be able to educate the American capitalist to lend his money even more readily and on better terms than is now the case."

The book contains a record of government, state and municipal bond sales in the United States and Canada during 1916, compiled from official and reliable reports. The Canadian list is divided into provinces.

HELPING EMPLOYEES.

Nickel Company Assists Its Men to Buy War Loan Bonds

Among industrial companies which took steps to assist employees to invest in the war loan was the Mond Nickel Company. This company offered to finance anyone who would subscribe for a $100 bond and pay $4 a month for 24 months. All subscribers derive the entire interest from the first payment of $4.00 to the last payment. Should an employee make partial payment only and leave the Company he has the preference of paying up the balance of his bond, or be refunded the entire amount with interest on same. Every employee is entitled to subscribe half his yearly income. The subscription books closed on March 21st, with a grand total of $111,000.

R.C.Matthews&Co.
Government and Municipal Bonds
C.P.R. BUILDING
TORONTO

NEW WAR LOAN

If you have not obtained as much of the new War Loan as you desire it will be advisable for you to place your order as soon as possible. We shall be glad to fill it at the lowest market price.

R.A.Daly&Co.
BANK OF NOVA SCOTIA BUILDING
TORONTO

THE COCHRANE SALE.

Bonds Went at Slightly Under a 5½% Rate.

In spite of the provincial guarantee, the town of Cochrane's issue of $40,000, 5%, 30-instalment restoration bonds, failed to command better than a 5.50% rate, when they were put up for sale on March 20. The town was unfortunate in having picked a date which came right in the midst of the war loan business, when bond dealers were otherwise occupied. As a result there were neither the number of bidders, nor the strength of bidding that was warranted by the character of the offering. The purchasers were the Canada Bond Corporation, who bid $37,752 or 94.38, which is slightly under a 5½% rate. Only seven tenders were submitted, these being:—

Canada Bond Corporation	$ 37,732
Brent, Noxon & Co.	37,626
R. C. Matthews & Co.	37,501
C. H. Burgess & Co.	37,353
Imperial Bank	37,016
A. E. Ames & Co.	36,908
G. A. Stimson & Co.	36,820

RECENT SALES.

Light Bidding Characterizes Most of the Past Week's Transactions.

Only three bids were received by the town of Leamington for its issue of $49,174.85, 6%, 15-instalment, local improvement bonds, which were up for sale last Friday. The winning bid was that of C. H. Burgess & Co., who offered $49,742 or 101.15, which is approximately a 5.80% rate. The three bids were:—

C. H. Burgess & Co.	$ 49,742
Brent, Noxon & Co.	49,639
A. E. Ames & Co.	49,214

The town of Waterloo, last week, awarded to Brent, Noxon & Co., a small local improvement issue of $1,811.49, the sale price being 103.06. As the bonds were 15-instalment, 6's, this meant a rate of about 5.54%.

H. O'Hara & Co. announce the purchase of a $20,000 issue of Plumas Consolidated School District, Manitoba. The bonds are 20-instalment 6's.

The municipal committee of the Ontario Legislature has passed an amendment to the Municipal Act giving all municipalities power to assess up to 25 mills on the dollar, irrespective of school and war taxes. The previous maximum was 20 mills.

W. L. McKinnon & Co. have purchased this week $2,000, 6 per cent. 20-instalment bonds of Molloy School District, Manitoba; $8,500, 6½ per cent., 15-instalment bonds of Jansen R. T. Co. and $4,000, 8 per cent., 20-instalment bonds of Free Soil School District, Sask.

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One of the best AUTHORIZED investments for TRUST FUNDS is our

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Paid-Up Capital	$2,410,925.31
Reserve - -	685,902.02
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"INVESTMENTS"
A MUCH MISUSED TERM

Many who should be, and think they are laying up money for their old age, are misled into so-called "investments," where their hard-earned money is jeopardized, and frequently lost, though it is of the utmost importance to them and to those who may be dependent upon them that its absolute safety should be beyond peradventure.

To those who should invest safely and with caution, not speculate, the bonds of the Canada Permanent Mortgage Corporation can be confidently recommended. This Corporation is most conservative in the investment of the funds entrusted to it. For more than sixty years it has held a leading position among Canada's financial institutions, and its bonds are a LEGAL INVESTMENT FOR TRUST FUNDS. They are issued for one hundred dollars and upwards. Write for full particulars.

Canada Permanent Mortgage Corporation
Toronto Street TORONTO
Paid-up Capital and Reserve Fund $11,000,000.00
ESTABLISHED 1855

FIELD OF MUNICIPAL FINANCE

ADVOCATES GOOD MANAGER FOR MONTAEAL

Council Should be Elected on Proportional Representation Plan.

THE MANAGER'S BUDGET

Voters Should Be Given Ultimate Control of Legislation Through the Initiative and Referendum.

That the commission-manager plan of civic government would prove a remedy for many of the ills that Montreal is heir to, was the tenor of an address delivered in that city last week by Howard S. Ross, K.C.

Mr. Ross advocated the commission-manager plan, which has been well tested in many cities. "Experts," he said, "agree on the following essential features:

"First, for the sake of efficiency, power should be vested in a council (of say, 20 in Montreal), elected at large or in districts electing not fewer than five members on a non-partizan ballot, preferably by the proportional representation plan, the candidates being nominated by petition.

Manager's Duties.

"Second, to give greater efficiency and to utilize expert talent to that end this representative, policy-determining body should employ, without regard to political connections or residence, an expert, highly-paid administrator (manager), responsible only to it, for results. The manager should prepare annually a scientific budget covering the whole proposed municipal expenditures, this budget to be submitted to the legislative body for final approval, after being given the widest publicity.

"Third, for safety—for protection against any possible misuse of the great powers thus concentrated in the hands of the council—the voters should control legislation through the initiative and referendum and control official tenure by means of the recall.

Basis Can be Low.

"The basis for the initiative and referendum can be safely as low as 5 per cent. in the largest cities and may be as high as 7 or 10 per cent. in small cities and towns.

"This plan does not lodge absolute power in the governing body. All administrative powers are vested in the governing council, but all legislative powers are in the council and the voters, the council being permitted to exercise an important legislative power only when it is supported in its action by public sentiment."

A CITY'S BOND STORE.

How Chicago Disposes of Millions Over the Counter.

Writing in the Bond Buyer, W. J. Peck of the National Thrift Bond Corporation, tells how the city of Chicago has met with great success in selling bonds direct to the citizens. This is the story:—

In Chicago City Hall, on the fifth floor, hangs a sign which is in plain view of every one who gets out of the elevator. Under a hand which points the way, it reads:

"City Bonds For Sale."

Follow the hand's direction and you enter a large room containing a wire cage, over the window to which hangs a notice that city bonds are for sale there.

It is Chicago's bond store. For more than two years Chicago has financed her needs in this direct, common-sense way. During the last twelve months, about $7,000,000 of the city's 4 per cent. bonds have been sold to buyers, either through the window of that cage in City Hall, or, by mail, to customers in widely separated parts of the country. Chicago's need for borrowed money is limited, and of late its bond store has found it necessary to restrict the amount of bonds sold to one customer to $1,000.

All sorts and conditions of men and women come to the bond counter, hand over their money and go out with the engraved paper, which is the city's promise to pay interest on the face amount of the bond at 4 per cent., and to return the money at a specified time. Money that smells of the earth in which it has long been buried; mousenibbled money; strange collections of bills and coins; certified cheques—all these come through that window.

Chicago's people have learned to appreciate the city's bonds—have learned that they are safe, that they pay a good rate of interest. They have learned that bond investment is the second wise step in the programme of thrift which begins with saving.

The bonds are sold in denominations of $100, $500 and $1,000. They are "serial" in character—that is, a buyer may choose one due in one year, due in two, three, five or ten years, according to his desire. At any time the city will buy back bonds at par—the price paid by the customer.

Chicago runs its bond store at no additional cost to the city. There is simplicity and directness in this method of financing the city's need for money. It is attractive to buyers, and experience shows that it is economical for the city.

In the opinion of this bond store's proprietor—the Controller of the city of Chicago—is there to stay. Why every city hasn't such a store, he fails to understand. Isn't it the logical plan to borrow money to run a city directly from the city's people?

A SMALLER PRICE

County of Haldimand's Issue Illustrates the Decline in Values.

Last January, the county of Haldimand rejected all tenders for a good roads issue of $12,000, 5 per cent., 30-instalment bonds. The reason given for the non-acceptance of the highest tender was because it stipulated that the bonds should carry coupons, whereas the by-law did not provide for them. An amending by-law has subsequently been passed and on March 14, the bonds were awarded to the same firm, R. C. Matthews & Co., that made the highest offer in January. In the meantime values have declined and instead of receiving $11,703, which was the amount of the best January tender, the county only received $11,555. There were only three offers submitted:—

R. C. Matthews & Co.	$ 11,555
Imperial Bank	11,464
Canada Bond Corporation	11,326

THE FRENCH LOAN.

Conforms in Its Details With Recent British Loan.

The new French loan in the American market coincides in practically every detail with the recent United Kingdom loan floated by J. P. Morgan & Co. and associates. It consists of $100,000,000, 5½ per cent., two-year secured notes, convertible into twenty-year 5½ per cent. French Government bonds, and it is offered to the public to yield 6 per cent. The holders of the notes are to have an opportunity to profit through a change in the rate of exchange, the notes to be payable either in dollars or in francs, at the rate of 5¾ francs to each dollar.

The new securities will constitute the first offering in the United States of a direct obligation of the French Government individually. Earlier in the war period, France borrowed jointly with England through the issuance of the Anglo-French bonds. In 1916, she obtained $100,000,000 through the sale of American Foreign Securities Corporation notes and three credits in the United States have been arranged for French banks aggregating $140,000,000.

TENDERS FOR NOTES.

New York City Tries Out a New Method of Selling Notes.

A new method of financing short term requirements is being tried out by the City Comptroller of New York. Hitherto, when funds were needed in anticipation of taxes or the issuance of long-term bonds, the Comptroller was accustomed to borrow privately The public seldom knew to what extent the city was borrowing, from whom it borrowed, or at what rate of interest.

Now the Comptroller is selling short-term notes at public sale upon receipt of sealed proposals, just as when long-term bonds are offered. Sales have been made in this way on two occasions recently—once on Feb. 28, when $8,000,000 were sold, and again on March 13, when $15,000,000 were sold. For the purpose of inviting bids for these securities, a mailing list is kept, to which notices preceding the sale by a few days are mailed. The Comptroller will, upon request, place the name of any banker on this list, which is revised from time to time by eliminating the names of those who do not submit bids.

The Comptroller hopes to confine the bidding to just those banks or dealers who are in a position to take large blocks of notes at the very lowest interest rate. If it develops that the best results are not accomplished by means of public bidding, the city may at any time discontinue the experiment and resort again to private banking operations.

It is understood that The Eastern Trust Company, Halifax, put in subscriptions for the new War Loan for themselves and clients amounting in the aggregate to $475,000.00.

Up to the end of last week approximately 75,000 war savings certificates of an aggregate value of over $5,000,000 have been sold. The average daily sales are well over $100,000.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

April 2, Lincoln County.—$16,000, 5 per cent. 10-year bonds of the County of Lincoln.

April 1, Tisdale Township.—$45,000, 5 per cent., 30-instalment bonds for school purposes, guaranteed by the Province of Ontario.

BY-LAWS PASSED OR DEFEATED.

Cannington, Ont.—$3,000 for the purpose of paying off the floating indebtedness of the village. Passed by the council, March 12. Wm. A. Robinson, village clerk, Cannington, Ont.

BY-LAWS TO BE VOTED ON.

April 2, St. Francois Xavier, R.M., Man.—$55,000 to improve the main highway leading through the municipality. Frank McDougall, secretary-treasurer, St. Francois, Xavier, Man.

April 7, Wolseley, Sask.—$9,000 for the purchase of a gas engine, dynamo, building and site, etc., for municipal electric light plant. A. B. Hill, secretary-treasurer, Wolseley, Sask.

April 16, Hillsdale, Ont.—$2,500 to purchase and instal a gasoline engine and appliances for supplying electric light in the police village of Hillsdale. T. D. Robinson, township clerk, Moonstone, Ont.

April 30, Sudbury.—$46,000 for stand pipe and auxiliary main; $2,500 for alterations to lake sewer pumping station. W. J. Ross, town clerk, Sudbury, Ont.

CONTEMPLATED BY-LAWS.

Redcliff, Alta.—$30,000 for alterations in the present pumping station and installation of adequate machinery. Will be submitted to ratepayers.

DEBENTURE NOTES.

Oxford County.—At a special session of the county council called to consider the estimates from the different municipalities for road construction work, the sum of $15,000 was asked to be raised on debentures.

Hamilton.—The city, which invested $100,000 in the second war loan, did not participate in the third loan. Instead it is buying back its sterling bonds, a service that may be regarded as of equal patriotic value. Already repurchases extend to about $150,000.

SASKATCHEWAN.

The following is a list of debenture applications granted by the Local Government Board from March 12th to 16th:

School Districts.—Langholm, $1,700; Free Soil, $4,500; Maple Slope, $1,500; Whitewood, $1,000; Pelletier Hill, $1,700.

The following is a list of debenture applications granted by the Local Government Board from March 19th to 23rd:

School Districts.—Mount Carmel, $500; Trafford Park, $1,600.

Rural Telephone Companies.—Woodside, $9,300; Steelman, $11,800; Tantallon, $8,000; Pambrum, $21,500; East Milden, $14,000.

BOND SALES.

$200 Asbestos at 70½; $8,000 Canada Cement at 97½; $11,000 Cedar Rapids at 90; $1,500 Dom. Textile, Series B, at 98½; $1,200 Montreal Trams. Debs. at 74½; $1,000 N.S. Steel at 86; $2,000 Quebec Rly. at 65; $500 Rio Janeiro at 82¾; $2,700 Wayagamack at 87 to 86; $15,900 War Loan at 97½ to 97; $74,200 New War Loan at 96¼ to 95½.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

Date	Place and Purpose	Purchaser	Interest	Term	Amount	Price	Basis
March	16—Jordan River, S.D., Sask.	Western School Supply, Regina	6¼%	10-ins.	$ 1,100	......	......
"	16—Sletten, S.D., Sask.	Western School Supply, Regina	6¼%	10-ins.	1,650	......	......
"	16—Borden, S.D., Sask.	Great West Life Ass. Co., Winnipeg	7%	20-ins.	5,000	......	......
"	16—Lunnville, S.D., Sask.	Great West Life Ass. Co., Winnipeg	7%	10-ins.	1,500	......	......
"	16—Surbiton, R.T. Co., Sask.	H. O'Hara & Co., Toronto	7%	15-ins.	4,200	......	......
"	16—North Prairie, R.T. Co., Sask.	H. O'Hara & Co., Toronto	7%	15-ins.	3,200	......	......
"	16—Great Bend, R.T. Co., Sask.	Wood, Gundy & Co., Saskatoon	7%	15-ins.	6,000	......	......
"	16—Eagle Lake, R.T. Co., Sask.	J. A. Thompson, Winnipeg	7%	15-ins.	4,000	......	......
"	16—Three Rivers, R. T. Co., Sask.	H. O'Hara & Co., Regina	7%	15-ins.	16,300	......	......
"	16—Mossbank, R.T. Co., Sask.	Goldman & Co., Regina	7%	15-ins.	26,000	......	......
"	16—Bright Sand, R.M., Sask.	Kerr. Flemming & Co., Regina	6%	20-yr. ser.	5,000	......	......
"	14—Haldimand Co. good roads	R. C. Matthews & Co., Toronto	5%	30-ins.	12,000	96.29	5.35%
"	20—Cochrane, fire loss restoration	Canada Bond Corporation, Toronto	5%	30-ins.	40,000	94.38	5.51%
"	23—Leamington, local imps.	C. H. Burgess & C., Toronto	6%	15-ins.	49,174	101.15	5.80%
"	22—Waterloo, local imps.	Brent. Noxon & Co., Toronto	6%	15-ins.	1,811	103.06	5.54%
"	26—Plumas Con., S.D., Manitoba	H. O'Hara & Co., Toronto	6%	20-ins.	20,000	......	......
"	26—Manitoba, province	Wood, Gundy and National City. Co.	5%	5-yr.	2,000,000	98.00	5.46%
"	28—Dom. of Canada 3rd war loan	Various purchasers	5%	20-yr.	150,000,000	96.00	5.40%
"	22—Leggott, S.D., Sask.	H. O'Hara & Co., Toronto	7%	10-ins.	1,600	......	......
"	23—Riverhurst, R. T. Co., Sask.	W. L. McKinnon & Co., Regina	7%	15-ins.	12,000	......	......
"	23—Odessa, R. T. Co., Sask.	W. L. McKinnon & Co., Regina	7%	15-ins.	1,400	......	......
"	23—Maryfield, R. T. Co., Sask.	Nay & James, Regina	7%	15-ins.	1,100	......	......
"	14—Chapple Twp., Ont., phones	Burgess & Co., Toronto	6%	15-ins.	11,000	......	......
"	26—Molloy, S.D., Man.	W. L. McKinnon & Co., Toronto	6%	20-ins.	2,000	......	......

Credit-Canada, Limitée

Government, Municipal and School Bonds

President. Hon. H. B. Rainville
Managers {E. A. Ouimet
{F. Saint-Pierre

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CANADIAN NORTHERN

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Reduce the FILING-AND-FINDING TIME to a minimum. If you think too much time is spent in your office now in handling your correspondence, etc., ask your furniture dealer to explain how "Macey" Goods may eliminate the waste.

MACEY FILING APPLIANCES are for sale by reliable Furniture Dealers all over Canada, also by many Office Furniture Dealers, a few of whom are mentioned below.

Macey Office Equipment Co.	Toronto and Victoria
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Blowey-Henry Co.	Edmonton
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A $10,000 Business Policy IS Good Collateral Security. Let us send you a pamphlet, "What Your Banker Says."

Liberal Dividends Make Low Life Premiums

A low expense ratio; a high interest rate; permanent business; safe investments; favorable mortality — these are the features in the experience of a company that make for big dividends. No one factor alone will produce large profits, but the Mutual Life of Canada has all the combined profit-earning features enumerated above, so that there is no compensating loss. It follows that a prospective policyholder who knows the Mutual of Canada, will choose that company, and a prospective life insurance agent, if he is wise, will seek an engagement with the same company.

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO ONTARIO
ASSURANCES $109,645,581 ASSETS $29,361,963 SURPLUS $4,595,151

British Colonial Fire Insurance Co.
2 Place d'Armes, Montreal
AGENTS WANTED IN UNREPRESENTED DISTRICTS

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
SURPLUS TO POLICYHOLDERS, $1,820,752.82
A Canadian Company Investing its Funds in Canada
APPLICATION FOR AGENCIES INVITED.

Prosperous and Progressive

Up-to-date business methods, backed by an unbroken record of fair-dealing with its policyholders, have achieved for the Sun Life of Canada a phenomenal growth.

More than 166,000 of its policies are now in force for assurances, totalling over $265,000,000—much the largest amount carried by any Canadian life company.

Sun Life of Canada Policies are safe and profitable Policies to buy.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL

THE
Independent Order of Foresters
Furnishes A Complete System of Insurance
Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.
Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.
Policies issued from $500 to $5,000. For further information and literature, apply to
Total Benefits Paid 42 Million Dollars
FRED J. DARCH, S.S., E. G. STEVENSON, S.C.CR., Temple Building, TORONTO.

THE
LONDON MUTUAL FIRE Est. 1859
INSURANCE COMPANY
ASSETS $784,426.31
SURPLUS TO POLICYHOLDERS $404,046.07
DIRECTORS:
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HEAD OFFICE, - 33 SCOTT ST. - TORONTO

Municipal Bond Sales for 1916
COMPILED, REVISED AND TABULATED FROM OFFICIAL REPORTS
¶ A list of original purchasers, price and income basis of the Municipal Bonds sold in 1916, showing purpose, amount, interest rate and maturity of each issue. The names of the borrowing States, Counties, Cities, etc., are arranged alphabetically by States.
PRICE $5.00 PER COPY
THE BOND BUYER
The Authority on Municipal Bonds
25 WEST BROADWAY NEW YORK, N.Y.

INVESTORS' INSURANCE NOTES

BILL AFFECTING FINANCES OF SOCIETIES

Has Been Withdrawn on Account of Strong Opposition Developing.

EXECUTIVES GET WIDE POWER

Enabled Them to Change Constitution Without Securing Sanction of the Members of the Societies.

E. W. J. Owens, M.P.P., stated on Thursday that it was probable his bill to amend the Ontario Insurance Act with respect to benefit societies would be withdrawn, as it is thought the Insurance Act of last session should be given a fair trial before amendments are proposed to it. It is further believed that the proposed amendments to the Act giving the Executive Committee or board of any society the power to amend by resolution the constitution of a society for the purpose of improving the actual solvency of the society places too much power in a body composed of five or six men and takes away representative government from thousands who may form the membership of a society. It is further pointed out that the benefit societies have 48,000 men at the front who would have no voice in the matter, and any change should not be made without their approval.

At a session of the special committee appointed to consider the bill, arguments were presented both for and against the proposed legislation. The Hon. W. D. McPherson, provincial secretary, who presided explained that the bill, if passed, "would undo what we did last year and make it compulsory for societies to take steps that would put them on a sound basis."

Lyman Lee of Hamilton, counsel for the Canadian Fraternal Association, replied that, "If the committee decides to stop at the repeal of last year's legislation we would accept that, but we would like the other clause adopted also, giving the executive of societies power to take steps for the purpose of improving the actuarial solvency of their societies. A good many of the societies have readjusted and they do not need to pass the resolution. Not more than six at the outside have failed to readjust their affairs."

J. A. Paterson, K.C., who also spoke on the same side said they were asking for the legislation because they wanted to cure the sick man more quickly than after five years' sickness. "We are satisfied many of them are sick. It is evident from actuarial calculation that the rates are not sufficient, and this bill is to keep the rates at such a level that the society will get no worse, even if it gets no better."

Turning Back the Clock.

T. W. Gibson of the Foresters contended Messrs. Lee and Paterson had failed to make out a case. "In this age of the world, after popular Government has been so thoroughly astablished, are we to turn back the clock and say we are going to take from members of the fraternal societies all voice in the management of their affairs and put the management and control in the hands of a few men."

Mr. Gibson thought every society should have the opportunity of putting its own house in order, and he suggested a standard solvency of seventy-five cents on the dollar. He would let the societies grade up. "I would not put it in the hands of two or three men to go behind the backs of the society and raise their rates. The people of this country are so wedded to self-government, even self-misgovernment, if I may say so—that they won't stand for this sort of thing. They want to work out their own salvation.

Steve Burns of the Sons of England Benefit Society strongly opposed the measure, and declared that if Messrs. Lee and Paterson advocated the thing before any society they would be "hurled out of office."

PROGRESS REPORTED.

Western Life Assurance Company Beating Last Year's Record.

The FINANCIAL POST is advised by Adam Reid, managing-director of the Western Life Assurance Co., Winnipeg, that that company has applied for $20,000 of the new war loan. In addition to this it holds $15,200 of the second war loan and during the past sixty days has purchased and paid for $30,000 gold bonds, guaranteed by the province of Alberta. Mr. Reid reports that cash receipts to date this year are more than double those for the corresponding period of 1916, while new business is already in excess of that for the first six months of last year.

DOMINION FIRE.

Substantial Progress Made by This Company During 1916.

The Dominion Fire Insurance Company, whose annual statement was published recently, has made satisfactory progress during 1916. The statement shows net premiums of $215,615.29 transacted at a loss ratio of 51.96 per cent. It shows $367,131.33 of cost assets with an additional protection to policyholders of $55,770.00 uncalled capital, or total security of $422,901.33. The premium income increased upwards of $30,000, showing increased confidence in this Canadian office which has established a good reputation amongst the agents for prompt adjustment and payment of its claims.

Major Robert F. Massie, president; has been overseas in charge of a Battery since February, 1916. Recently he was home for a few weeks on leave, but is at present on the ocean to join his unit "Somewhere in France." Neil W. Renwick, secretary, has shown that he has had affairs well in hand during his absence.

MONTREAL CANADA AFFAIRS

Shareholders Get Authority to Examine Books of Company.

The application of Louis Laberge and A. J. H. St. Denis, of Montreal, for authority to examine the books of the Montreal-Canada Fire Insurance Company, which went into liquidation in February, 1916, has brought the affairs of that ill-fated company into the limelight again. The petitioners in their application to the court, said that they could not understand the reason for liquidation, as the financial statement submitted at the annual meeting on December 31, 1915, reported the assets of the company as being $19,000 in excess of the liabilities. Mr. Justice Dugas granted the application, but the petitioners have not yet availed themselves of the privilege granted them by the court.

The affairs of the company were found by the National Trust Company, which was named liquidator, to be in very bad shape. It is expected that the ordinary creditors will receive about thirty per cent. of their claims, but there will be nothing left for the shareholders. In fact, the liquidator is calling on the shareholders who are in arrears, to complete the payments on their stock.

The Montreal-Canada Company was managed and controlled by the Anglo-American Fire Insurance Company, of Toronto, which is also in liquidation.

BOMBARDMENT INSURANCE.

Large Amount Taken Out Recently by Seaboard City Buildings.

About $10,000,000 worth of "bombardment insurance" on buildings in seaboard cities has been placed with Lloyds of London in the last two weeks. So far as can be learned, no well-known skyscrapers are included. but the owners of some are thinking of protecting themselves against war risks.

Under the New York Insurance law, no companies or brokers of this State may insure a building against bombardment, the reason being that this sort of risk was not contemplated when the law was framed.

That New York companies may get their share of this business, the present Legislature is likely to amend the law, it was said at the insurance department offices.

It is possible to get through foreign companies a policy covering all sorts of war risks, including bombardment, insurrections, explosion, rioting, strikes, invasions, etc. The State companies, under a recent construction of the law, are permitted to insure against any of these possibilities except bombardment.

The Lloyd rate varies from ½ to 1 per cent.—that is from 50 cents to $1 on each $100 insurance. The rate is subject to change without notice and the term is six months.

Harry Marshall, manager for Wilcox, Peck, Brown and Crosby, said that his company had placed several million dollars' worth of war risk insurance through Lloyds. He estimated the total amount placed in the last two weeks at $10,000,000 and said that most of it was on buildings in New York or the metropolitan area.

WHEN DO THEY LAPSE?

Interesting Point Raised in Connection With Soldiers' Insurance.

The statement made by City Treasurer Bradshaw the other day that Toronto faces a contingent liability of $45,000,000 for soldiers' insurance has given rise to inquiries as to when the city's liability ceases. That is, when do its 45,000 policies of $1,000 each cease to be carried? If they were to be carried for all time—until each soldier whom war spared died a natural death—the $45,000,000 liability would be actual and not contingent. But there is no thought of so carrying them. The question is, when do the policies become void?

There is a tendency at the Toronto City Hall to have the City Council rule on the matter, and an effort will likely be made to have each policy lapse as soon as the soldier insured is given his military discharge. It is pointed out that if this is not done there will be hundreds of claims against the city on behalf of ex-soldiers, whose death will be attributed in some measure at least to their experiences in Europe.

The foregoing has to do entirely with the 45,000 policies which the city has promised to pay—if death occurs—out of its own funds. The soldiers insured with companies are in an entirely different class. Many of these will doubtless be given an opportunity of continuing their insurance at a reasonable rate. An important change in this class of risk was that recently made by the Federal authorities, who require insurance companies doing business in Canada to accept an official statement of death as conclusive proof.

The city is also securing a ruling which affects the policies carried by Toronto itself. This takes the form of Provincial legislation permitting the city to pay the policies to the dead soldiers' next of kin, whether these were dependent upon the deceased or not.

MUST HAVE AGENT.

Fire Policies Invalid Unless Company Represented by Agent.

An act before the Nova Scotia legislature at the present time is of peculiar interest to those who propose changing their fire insurance or taking out new policies. It makes any policy invalid unless the company issuing it has an agent in the province at the time it is made. The bill was introduced by attorney-General Daniels, and its two clauses are:

(1) No contract of insurance against loss by fire in respect of any property, situated in Nova Scotia, shall be valid or enforceable unless the insurer has an agent resident in Nova Scotia at the time the contract is made, and the said agent countersigns the contract before the delivery thereof to the insured.

(2) The insurer shall be deemed to have no such agent at the time any such contract was made, unless before that time the insurer has filed in the office of the Provincial Secretary an appointment of such agent.

Hon. Senator George Gordon, of North Bay, has been added to the Board of Directors, of the Excelsior Life Insurance Company. The Senator takes an active interest in many corporations, being president of the George Gordon Company, Limited; director of the Abitibi Power & Paper Company, Limited; The Young Company, Limited, North Bay, and several other well-known companies.

Attorney-General Lucas of Ontario has promised to make a report on the practice of large American insurance companies, which are not controlled by the insurance act, selling insurance at lower rates than companies doing business under the act. The matter was raised by the opposition leader N. W. Rowell, in the Legislature. He said that the complaint was made by the domestic companies that the competition was unfair.

Western Assurance Company
(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE, TORONTO, ONT.
Assets over - - - - $ 4,000,000.00
Losses paid since organization over - - $63,000,000.00
W. R. BROCK, President. W. B. MEIKLE, Vice-President and General Manager. C. C. FOSTER, Secretary.

Chief Office for Canada, TORONTO
LONDON & LANCASHIRE FIRE INSURANCE COMPANY
ALFRED WRIGHT, MANAGER

Over $133,000,000 of Insurance
is held in force by The Great-West Life Assurance Company at the close of 1916.
This large Business—written in twenty-four years—shows that the insuring public have not been slow to recognize the advantages offered by a Company in which strict economy of management, conjoined with exceptional facilities for the investment of funds to advantage, have effected remarkable results for the Policyholders.
Those contemplating Life Insurance will do well to investigate the Policies of
The Great-West Life Assurance Company
Dept. "G."
Head Office - Winnipeg

British America Assurance Co.
(Fire, Hail, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, Vice-President and General Manager; Robert Bickerdike, M.P.; John Aird, Alfred Cooper (London, Eng.) H. C. Cox, D. B. Hanna, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., W. B. Meikle, Geo. A. Morrow, Augustus Myers, Lt.-Col. Frederic Nicholls, Col. Sir Henry Pellatt, E. R. Wood.
Assets, Over - - - $ 2,500,000.00
Losses Paid Since Organization Over - - $39,000,000.00

The UNION BANK OF AUSTRALIA, Ltd.
Established 1837. Incorporated [illegible]
CAPITAL:—
AUTHORIZED and ISSUED .... [illegible]
Paid-up Capital..£2,000,000
Reserve Fund....£1,960,000 Together .... [illegible]
Reserve Liability of Proprietors........ [illegible]
Total Capital and Reserve .... [illegible]
Head Office: 71, CORNHILL, LONDON, E.C.
DIRECTORS.
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Arthur P. Blake, Esq.
The Rt. Hon. the Earl of Chichester.
John Dennistoun, Esq.
Hugh D. Flower, Esq.
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William R. Mewburn, Esq.
The Hon. A. R. Mills, M.P.
Robert C. Nesbitt, Esq.
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Sir Westby B. Perceval, K.C.M.G.
Manager—ARTHUR C. WILLIS.
Assistant Manager—WILLIAM J. ESSAME.
The Bank has 41 Branches in VICTORIA, 3 in NEW SOUTH WALES, 19 in QUEENSLAND, 14 in SOUTH AUSTRALIA, 2 in WESTERN AUSTRALIA, 3 in TASMANIA and 44 in NEW ZEALAND. Drafts upon these Branches are issued by the Head Office, and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

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Incorporated by Royal Charter 1727.
Paid-up Capital - - £2,000,000
Rest & undivided profits £800,986
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St. Andrew Square, Edinburgh.
Cashier and Gen. Manager, Adam Tait. Secretary, A. K. Wright.
London Office, 3 Bishopsgate, E.C.
Wm. Wallace, Manager.
Glasgow Office, Exchange Square.
A. Dennistoun, Agent.
167 Branches throughout Scotland
Banking business of every description transacted. Accounts opened and agency business undertaken for Foreign and Colonial Banks and other financial establishments. Bills, Cheques and other documents collected. Drafts, Circular Notes and Letters of Credit issued—available throughout the world. Cable transfers are also made. Deposits received at interest repayable at call or at notice. Correspondence invited.

REAL ESTATE AND MORTGAGES

HIGH PRICES OF MATERIALS STOPS BUILDING

Views of Several Toronto Architects on Outlook for Erection of Houses.

MANY PLANS PREPARED

But People Hesitate to Build When They See the Estimates—Not Much Likelihood of a Drop in Prices.

A survey of the house-building situation in Toronto, as viewed by the architects of the city, was made this week by *The World*, which found that, owing to the high price of labor and materials, building will not likely develop to any large proportions in the near future. There is a good deal of inquiry about building, but active operations are not yet developing. However, it is felt that when it is realized prices for material are unlikely to drop for several years to come, those who contemplate building will take early action.

Architect's Views.

J. A. McKenzie, architect, has prepared plans for a number of dwellings during the past two weeks, but when the cost of building is made known to the prospective builder the majority of them seem afraid to venture, thinking that the high cost of material is only temporary, and that a decline will soon take place. Mr. McKenzie reports a number of houses are in the course of construction, and thinks as the season advances that building operations will become more active.

Langley & Howland are preparing plans for a number of houses in North Toronto, east of Yonge Street; also preparing plan for a pair of duplex houses on Jarvis Street. Mr. Langly says that building operations are not very active, due to the high cost of material and labor. Inquiries are still coming in, and he believes that building operations will become more active during the spring and summer months.

F. S. Mallory reports building operations a little slow, although a number of inquiries are coming in, and thinks as the season advances there will be more activity in the building line. Undoubtedly the high price of material is keeping back building operations, but he could see no decline in the price of either material or labor for some time to come. He expects to see more activity in the way of building in the near future. He does not look for any decline in the cost of material and labor.

Industrial Building.

Mr. Chapman, of Chapman & McGriffin, states that a good deal of commercial building in the way of factories and warehouses is contemplated, but to what extent it will be carried out, he is unable to say, owing to the constantly increasing cost of all building material. At the present time he thinks that the cost of material is having its effect on operations.

Another architect stated that conditions are gradually growing better, and he believes there will be considerable building under construction during the next few weeks. On being asked if he did not think that the high cost of material was having its effect, said no doubt it would affect building operations to some extent, but he could see no decline, either in the high cost of material or labor, for the next three or four years, and would advise any one contemplating building operations to do so now, as it would not be surprising to see a still further advance in all materials. He has several housing propositions in view, and, while they are only in a primary state he expected within the next few weeks to be busy preparing plans for the construction of a number of houses. He believes that people will soon realize the true condition that no cheaper material is possible, and will, therefore, begin building operations.

E. Bird states that the present cost of all building material is no doubt having its effect in building operations, and while a great many are contemplating building, they are holding back, thinking that there will be a decline in the cost of material and labor. This not only applies to construction of houses, but to factories and warehouses also. When asked as to the outlook for cheaper material he said he could see no decline in the prices, and in his opinion building material would be higher after the war than it is to-day, and the wise ones are building now.

A. Baker states that while at the present time the building situation is looking much better than two years ago, and a great many are contemplating building, they are delaying operations, thinking that material and labor will be cheaper during the next few months, but he himself can see no relief from the present high cost of material, and would advise anyone contemplating building to do so now, and take no chances on a still further advance in labor and material.

AN INTERESTING CASE.

Heirs of Estate of Late George Bull Burland, of Montreal, Appealing Against Provincial Tax.

The heirs of the late George Bull Burland, of Montreal, who left an estate valued at $2,000,000, have entered an appeal against the decision of the Superior Court of Quebec, which upheld the Province in the collection of a provincial tax of $95,000 from the estate. They contend that the province had no right to tax that portion of the estate which was in Ontario. The principal claimants in the name of the estate are Jeffrey Hale Burland, president of the Canada Engraving Litho. Co., and Mrs. Dr. Amy, of Ottawa. The case will be heard at the next term of the Quebec appeal court.

HAMILTON.

Not Likely to Be Much Building Activity This Year.

Hamilton reports little indication of a building boom this year and the prevailing opinion is that there will be nothing of an extensive nature done during the coming season.

The reason advanced for the slump is that builders are following a policy of economy and are averse to investing while the war is in progress.

According to architects interviewed on the question there will be very little speculative building this season, and the only work that will be done will be of a necessary character. Despite the big increase in the cost of materials and the shortage of labor and high wages demanded, many of the larger concerns are going ahead with new buildings and additions to their plants, and are preparing for a greater era of prosperity after the war.

There are a few residences of fair valuation going up at the present time, but very little work is being done on smaller houses. The demand for moderate-priced dwellings is quite brisk, it is stated, but despite this the percentage of new buildings being erected is reduced.

The season, it is pointed out, has really not opened as yet, although at this time last year building was going ahead full swing, and while the present prospects may not appear very encouraging, there is a chance that conditions will improve as the summer advances.

LIFTING THE BAN.

Important Street in Toronto to Become Business Thoroughfare.

An argument is going forward regarding the future of Bloor street east, in Toronto. It is pretty generally agreed that residential restrictions shall be lifted and that it will be made a business thoroughfare. However, the first application for a business permit is meeting with opposition. It was for permission to open a garage. A deputation headed by leading citizens of the district appeared before the Property Committee this week and asked that the application be refused. It was stated that the people wanted a first-class business thoroughfare, and that the type of business under contemplation would lower the values of the adjacent property.

As a result of the discussion, and because the Property Commissioner declared that he would not approve granting a garage permit to the applicants, this particular application was refused. But a second application was made for removal of the residential restrictions providing the City Solicitor is satisfied with the nature of the application, and the petition is properly signed. It is not at all likely that a garage business will be sanctioned for that particular district.

Twenty acres of land located in the city parks of Toronto, will be turned over to the Rotary Club, which will have them ploughed up and divided into gardening plots. The Rotary Club state that they have so many applicants for plots that it is impossible to meet the demand.

GOVERNMENT OWNERSHIP OF NEW ZEALAND AUSTRALIAN RAILWAYS.

Continued from page 11

Lines.' This account is used as a sort of compensating balance for the purpose of making the people believe that the railways are in a prosperous condition when, as a matter of fact, they are practically bankrupt.

"It is doubtless true that honest business men frequently borrow for the purpose of improving their equipment, but they do so with the expectation of paying interest on the loans and earnings a substantial net profit besides. If they could not at least pay interest they would speedily find themselves in the bankruptcy court. But the Railways Department, by virtue of the large credit of the general government, has gone on borrowing year after year, never able to pay interest in full and never coming to the place where this vicious and parasitic policy could be discontinued."

In this position Prof. Le Rossignol is supported by Mr. Samuel Vaile of Auckland, N.Z., who has been an earnest student of and prolific writer upon matters connected with the railway management of his country. He is so far from being an opponent of government ownership that in his book "Railway Administration in New Zealand," he says of his own criticism: "It has been anything but pleasant work for me to write as I have done, for I feel that my exposure of the utter failure of the system in this country will be used against me and I fear that an agitation will arise for the sale of our lines." Nevertheless, Mr. Vaile said: "Our railways have, as a commercial concern become utterly bankrupt, and if they had not the taxpayers to fall back on they would have to be realized."

The Question of results

The crux of the whole matter is not whether for the purpose of its own development New Zealand can afford to support a perennially bankrupt concern such as its railway system is: it is whether Canada or any other country is justified in believeing on the basis of incomplete statements that New Zealand's railway system is a financial success and that if government ownership and operation were adopted in place of its own privately-owned railway systems the plan would produce for the government as satisfactory results as the private companies are able to produce both for themselves and for the public.

In New South Wales

Financial results of government railway operation in New South Wales are even less satisfactory than in New Zealand in the respect that their statements of net results disclose a downward tendency from year to year. New South Wales is the only Australasian colony whose railway statistics are kept in such a manner that fairly complete comparisons of details of operation with corresponding results in Canada and the United States can be made. The accompanying table gives a statement of total earnings, surplus or deficit percentage of surplus or surplus or deficit to total earnings, and amount per mile of surplus or deficit, for each year from 1907 to 1916 inclusive. The accompanying figures are from the annual reports of the Minister of Railways.

The second table indicates that while the amount of interest paid in each year of the period 1907 to 1916 inclusive, has maintained a fairly constant relation to total earnings yet because of the annual increase in amount of interest and of operating expenses, the relation which the amount of interest bears to "net profits" is expressed by a constantly increasing percentage. The increase is from 71.89 per cent. in 1907 to 109.54 in 1916, a total increase in amount of interest of 52.37 per cent.

C. H. Burgess & Co. were awarded the $11,000, 6 per cent. 15-instalment telephone issue of the township of Chapple, which was up for sale by tender on March 14.

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READJUSTING OF MACDONALD UP TO SHAREHOLDERS

DIVIDENDS ARE DEFERRED

Directors State They Have no Further Recommendation.

Distribution Not Considered as Justified in View of Heavy Bank Loans—Earnings Used to Improve Liquid Position.

Further postponement of dividend action on the preferred stock and the conclusion that, having defeated the plan for a readjustment of the common stock last year it is now up to the shareholders to take action in this connection, are features of the annual directors' report to the shareholders of the A. Macdonald Company presented under date of May 1, by the president, W. P. Riley. There have been some expectations that the board, following the effort a year ago to reduce the $3,000,000 of common stock, representing good-will, to $1,000,000 would be followed by something in the nature of a further effort on the same basis or on the basis of a 50 per cent. reduction. However, it is explained that it was last year the intention of the directors to submit to each shareholder full details for their consideration, with the view that if the plan of readjustment was considered feasible and equitable to all interests further action would be taken. The directors state their opinion that the opposition which developed was apparently due to misinterpretation of the motives but, having made the recommendation in the best of faith and not having since changed their opinion as to the wisdom of some adjustment being made in the amount of good-will account, they feel that any further action should emenate from the shareholders. As regards the preferred dividends, which have been in arrears since December, 1913, the directors consider that with such large bank obligations—these having materially increased during the year—it would be unwise to consider a distribution at this time. Hope is held out that during the year it may be possible to resume disbursements but action in this respect will depend largely upon the results of the first six months of 1917; generally speaking the prospects are regarded as encouraging.

The net profits for the year, after deducting all operating charges, interest on bank loans and mortgage notes and making provision for bad and doubtful debts, as well as writing off $11,111 for depreciation on motor trucks, etc., were $219,015. This indicates an increase over the previous year of $64,474 but the deduction of $92,168 for depreciation on real estate and other property at Port Arthur, representing part of the company's investments in the Riley-Ramsey Company, reduced the net profits to $126,847. These were distributed as follows: $53,004 added to the special reserve account increasing that reserve to $199,177; $21,538 credited to deferred charges and organization expenses leaving a balance of $13,461, for which provision has still to be made; $47,304 added to the reserve against the Dominion Bond Company debt thereby making that reserve equal to the debt of $172,204; $5,000 used to write off book value of shares held by the company in a fruit canning company. In connection with the company's obligations the report continues:—

> The claim against the Dominion Bond Company, in liquidation, was reduced during the year by $12,074, realized from sale of securities held by your company. Some additional security is still held, but is not considered to be of any immediate realizable value, neither is it expected that any dividend will be received by the ordinary creditors from the liquidator of the Dominion Bond Company. The reserve now carried against the account will be applied to offset it, and it will in future disappear from the assets of your company. Ample provision has been made for all bad and doubtful accounts receivable, and in the judgment of your directors, the figures in the balance sheet pertaining to the assets shown therein correctly indicate the realizable values thereof, with the exception of the balance of $13,461 of deferred charges, and real estate, which was appreciated by the promoters of your company immediately following the purchase of the business from the former owner by $211,254, and for that reason the $92,168 of 1916 earnings were applied against real estate in order to bring the book values more in alignment with the correct values of the company's property.

The Company's Position.

The outstanding feature of the balance sheet is the increase of bank debts on the one hand and merchandise on the other. The obligations to the bank at $1,502,500 represent an increase of $714,000, while merchandise at $1,517,029 shows an increase of $730,638. This was an indication of the rising value of food products and the increased amount of supplies on hand should work to the advantage of the company, providing that they have been widely bought and that they have been valued on a basis which will provide for possible contingencies in the way of readjustment. On the whole the company's position is improved in that current and working assets show an increase of $732,517 against an increase of $533,145 in the liabilities. This is an improvement of approximately $200,000, and in this improvement the distribution of profits has been an important factor.. It is pointed out that all mortgage indebtedness has been retired and in connection with the increased bank loans the explanation is made that, in view of difficulties experienced in obtaining staples in sufficient quantities to insure adequate service to customers, heavy purchases were made to protect the company's trade; the additional stock was paid for in cash accounting for the increased borrowings, but with the reduction in the amount of merchandise carried the borrowings will be correspondingly reduced. Following are comparative figures showing changes:—

ASSETS.	1916.	1915.	Change.
Wrhse. Prop.	$ 675,503	$ 752,901—	$ 77,398
Plant & Equip.	65,137	68,614—	3,477
Investments	234,364	237,378—	3,016
Current Assets	2,645,215	1,912,697+	732,518
Other Assets	3,334,268	3,371,444—	37,174
Total Assets	$6,954,487	$6,343,035+	$611,453
LIABILITIES.			
Mort. Indebt.	$.........	$ 202,005—	$202,005
Bank Loans	1,503,500	789,500+	714,000
Trade Liab.	283,171	262,000+	21,151
Special Res.	146,173	93,169+	53,004
Reserve	127,995	75,000+	52,995
Surplus	126,847	154,540—	21,693
	$2,187,686	$1,576,234+	$611,452
Capital Stock	4,766,800	4,766,800	......
	$6,954,486	$6,343,034+	$611,452

RECORD SHOWING BY GOODWINS, LIMITED

Statement Shows Gross Profits of $253,710, an increase of $91,454 Over Last Previous Year.

The annual statement of Goodwin's, Limited, for the fiscal year ending January 31, establishes a new high record of earnings for the company, and shows a substantial improvement over the previous year. The gross profit was $253,710, as compared with $162,265, for the year ending January 31, 1915, an increase of $91,454. The best previous record was in 1913-14 when the earnings were $142,038, but as this was after the deduction of interest the gross in that year was probably not very far below that of the latest fiscal period.

After providing for bond interest of $55,170; interest on loans and mortgages, of 46,394; and allowing $24,000 reserve for depreciation of plant and equipment, and a reserve of $3,080 for doubtful accounts, a balance of $125,074 was carried forward, which added to the previous surplus of $244,741, made the total surplus carried into the new year $369,815.

Following is a comparison of the income account with 1915:—

	1916.	1915.
Gross profits	$ 253,710	$ 162,266
Bond interest, etc.	101,554	98,410
Depreciation	24,000	......
Bad debts	3,080	6,742
	$ 128,634	$ 105,152
Net income	125,076	57,114
Previous surplus	244,741	187,627
	$ 369,817	$ 244,741

An increase of $23,767 in equipment is the only change in the fixed assets of the company. Current assets increased $320,121, bringing the total up to $1,515,145. Of this amount $942,095 consisted of inventories compared with $766,997 a year ago. Current liabilities are $753,136, an increase of $164,815. The depreciation reserve account is increased by $24,000 to $49,000. In the current liabilities last year bank overdraft represented $85,957. This amount has been wiped out. The company also retired $50,000 of its bonds during the year.

It was decided that in view of the company's rather large borrowings, and the uncertainty as to business conditions after the war, it would be inadvisable to resume the payment of preferred dividends yet. The directors felt that the company's resources should be conserved and substantially increased before any action was taken in that direction.

MINING TAX IN ONTARIO TO BE RAISED

Minimum Tax Will be Advanced From Three to Five Per Cent.

MUCH OPPOSITION DEVELOPS

Felt That Gold and Silver Mining will Be Hampered and That American Capital Will be Scared Away.

Wednesday's announcement that the Ontario Government proposed not only to increase the taxes on the nickel mining companies, but would also raise the rate on all other mining companies, whose profits exceeded $10,000 per annum, came as somewhat of an unpleasant surprise to the mining market and was not well received. It is felt that the gold and silver mining companies in particular are having a hard enough time as it is with labor difficultites and other troubles and that the increased taxation is being enforced at a most inopportune time.

A Scale of Rates.

The rate already in force is three per cent. This will be raised to 5 per cent. in the case of companies with annual profits ranging from $10,000 up to $5,000,000. On all profits over $5,000,000 and up to $10,000,000 the tax will be six per cent.; from $10,000,000 to $15,000,000 seven per cent. and on the annual profits in excess of $15,000,000 a percentage increasing with each additional $5,000,000 in the same proportion as in the case of the second and third five million dollars.

Instead of ten per cent. the companies will be allowed fifteen per cent. for depreciation in plant, machinery, etc., while the companies will also be entitled to deduct from the profits all taxes upon profits payable under acts of Great Britain or the Dominion of Canada. The method of ascertaining the annual net profits of the companies remains the same as before. On nickel and nickel-copper mines the new taxation is effective as from January 1, 1915.

A Big Increase.

Up to the present, the biggest nickel company, the International Nickel Corporation (Canada Copper Company) has paid an annual tax of $40,000 to the Province. Under the new system of taxation it is roughly estimated that the International Nickel Corporation will have to pay the Province $1,000,000 a year in taxes, as the annual net profits of the corporation are said to be in the neighborhood of $16,000,000.

Opposition to the general increase, particularly in connection with gold mines develops along three lines. One is the set-back it gives to an industry, which is strongly in need of every encouragement at the present juncture, when the production of gold should be greatly increased. The second has to do with hindering American capital, on which Canada must rely largely for the development of her mines, from entering the country by making such investments both unpopular and unprofitable. The third is along the line that the price of nickel may be raised to offset the taxation, whereas the value of gold remains stationary.

Nickel Commission.

The announcement of the new taxation follows within a day or two, the publication of the report of the Royal Ontario Nickel Commission, a volume of 819 pages. This voluminous report may be thus summarized.

(1) Any processes now in use for refining nickel can be successfully worked in Ontario, and conditions and facilities are at least as good in the Province as in any other part of Canada. The most satisfactory method of refining in the Province would be the electrolytic.

(2) The nickel deposits of Ontario are of such a character that the Province can compete successfully as a nickel producer with any other country.

(3) The present method of taxation of net profits is the fairest and best. If, in view of increased revenue, it should be necessary to call upon the mining industry for a larger contribution, the commissioners are of the opinion that the present rate of three per cent. should not be raised beyond five per cent.

(4) To expropriate the deposits plants of the Sudbury nickel area would, judging from sales of company shares, probably cost not less than $100,000,000.

(5) There does not seem to be any good reason why the people of Ontario should be asked to adventure so large a sum of money as would be required for the purchase of the nickel deposits and plants.

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